

Incorporated under the Laws



of the State of California



ANGELES CHEMICAL CO., INC.

Authorized: 1,000,000 Shares

500,000 Class A Voting Common Shares
Par Value \$10.00

500,000 Class B Non-Voting Common Shares
Par Value \$10.00

THIS CERTIFIES THAT ROBERT O. BERG IS THE REGISTERED
HOLDER OF Three Thousand Eight hundred Ninety Eight .7094 Class B Non-Voting Common Shares of

ANGELES CHEMICAL CO. INC.

HEREINAFTER DESIGNATED "THE CORPORATION," TRANSFERABLE ON THE SHARE REGISTER OF THE CORPORATION UPON SURRENDER OF THIS CERTIFICATE PROPERLY ENDORSED OR ASSIGNED.

WITNESS, THE SEAL OF THE CORPORATION AND THE SIGNATURES OF ITS DULY AUTHORIZED OFFICERS.
DATED: January 31, 1997.

SECRETARY

PRESIDENT



CLIENT : ACC
PYE : 04/30/94
QTR END: 04/30/94

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ANGELES CHEMICAL COMPANY
ALLOCATION SUMMARY REPORT-IND.

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DESCRIPTION	BEGINNING BALANCE	DISTRIBUTIONS	EARNINGS EXPENSES UNREALIZED	INVESTMENTS	COMPANY CONTRIBUTIONS	FORFEITURES	ENDING BALANCE
BARNES, OTHA W BIRTH: 01/15/52 TERM : 09/20/91 VESTD: 04/30/91 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0 283-44-2688/00 HIRE : 10/22/90 RHIRE: ENTRY: 05/01/90 SC: TN PLAN COMPENSATION: \$0.00							
CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	4.12994	0.00000	0.00000	0.00000	0.00000	0.00000	4.12994
CST	166.14020	0.00000	0.00000	0.00000	0.00000	0.00000	166.14020
FMV	125.96317	0.00000	-17.34575	0.00000	0.00000	0.00000	108.61742

BELL, RONALD H BIRTH: 08/19/38 TERM : / / VESTD: 04/30/73 FC: RH VESTNG-YRS: 19 PCT: 100.0000 HRS: 2340 560-46-3104/00 HIRE : 03/06/72 RHIRE: ENTRY: 03/06/72 SC: AC PLAN COMPENSATION: \$35,988.38							
CASH	521.64178	0.00000	0.00000	-683.40828	173.46967	0.00469	11.70786
REC.	-0.00002	0.00000	0.00000	0.00000	0.00000	0.00000	-0.00002
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	173.27923	0.00000	0.00000	22.40682	0.00000	4.93683	200.62288
CST	6,852.44883	0.00000	0.00000	892.12947	0.00000	198.87898	7,943.45728
FMV	5,285.01652	0.00000	-821.88169	683.40828	0.00000	129.83851	5,276.38163

BENSON, JEANETTE E BIRTH: 03/03/48 TERM : 09/30/88 VESTD: 04/30/80 FC: PD VESTNG-YRS: 10 PCT: 0.0000 HRS: 0 567-78-5046/00 HIRE : 08/22/79 RHIRE: ENTRY: 04/30/80 SC: TN PLAN COMPENSATION: \$0.00							
CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	120.25943	-120.25943	0.00000	0.00000	0.00000	0.00000	0.00000
CST	4,719.39942	-4,719.39942	0.00000	0.00000	0.00000	0.00000	0.00000
FMV	3,667.91262	-3,667.91000	-0.00262	0.00000	0.00000	0.00000	0.00000

BERG, ROBERT C BIRTH: 12/07/31 TERM : / / VESTD: 04/30/72 FC: CP VESTNG-YRS: 19 PCT: 100.0000 HRS: 0 549-38-9548/00 HIRE : 11/01/71 RHIRE: ENTRY: 04/30/79 SC: AC PLAN COMPENSATION: \$0.00							
CASH	0.00022	0.00000	0.00000	-0.00022	0.00000	0.00000	0.00000
REC.	-0.00002	0.00000	0.00000	0.00000	0.00000	0.00000	-0.00002
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	3,898.77094	0.00000	0.00000	0.00000	0.00000	0.00000	3,898.77094

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DESCRIPTION	BEGINNING BALANCE	DISTRIBUTIONS	EARNINGS EXPENSES UNREALIZED	INVESTMENTS	COMPANY CONTRIBUTIONS	FORFEITURES	ENDING BALANCE
CST	151,196.14226	0.00000	0.00000	0.00028	0.00000	0.00000	151,196.14254
FMV	118,912.51367	0.00000	-16,374.83217	0.00022	0.00000	0.00000	102,537.67572

BLAND, MARSHALL R BIRTH: 03/06/22 TERM : 02/31/93 VESTD: / / FC: DD VESTNG-YRS: 0 PCT: 100.0000 HRS: 760
498-03-3691/00 HIRE : 02/08/93 RHIRE: ENTRY: 05/01/92 SC: DD PLAN COMPENSATION: \$6,031.31

CASH	98.20386	0.00000	0.00000	-96.55046	0.00000	0.00000	1.65340
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	3.96022	0.00000	0.00000	3.16558	0.00000	0.00000	7.12580
CST	159.72751	0.00000	0.00000	126.03814	0.00000	0.00000	285.76565
FMV	120.78671	0.00000	-29.92863	96.55946	0.00000	0.00000	187.40254

BONILLA, RICARDO D BIRTH: 08/30/54 TERM : 08/02/91 VESTD: 04/30/89 FC: XI VESTNG-YRS: 3 PCT: 100.0000 HRS: 0
345-06-3725/00 HIRE : 08/16/88 RHIRE: ENTRY: 05/01/88 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	20.07417	0.00000	0.00000	0.00000	0.00000	0.00000	20.07417
CST	811.48242	0.00000	0.00000	0.00000	0.00000	0.00000	811.48242
FMV	612.26219	0.00000	-84.31152	0.00000	0.00000	0.00000	527.95067

BURTIS, GREGORY M BIRTH: 06/14/53 TERM : / / VESTD: 04/30/89 FC: CP VESTNG-YRS: 6 PCT: 100.0000 HRS: 2340
534-60-1091/00 HIRE : 06/01/88 RHIRE: ENTRY: 05/01/88 SC: AC PLAN COMPENSATION: \$43,364.61

CASH	649.80261	0.00000	0.00000	-844.36732	209.02426	0.00565	14.46520
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	191.40943	0.00000	0.00000	27.68417	0.00000	5.94868	225.04228
CST	7,729.23938	0.00000	0.00000	1,102.24736	0.00000	239.64150	9,071.12524
FMV	5,837.98762	0.00000	-920.19326	844.36732	0.00000	156.45039	5,918.61207

CASEBEER, JENNIFER C BIRTH: 01/11/56 TERM : 07/07/86 VESTD: 04/30/85 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
568-88-8903/00 HIRE : 07/02/84 RHIRE: ENTRY: 04/30/85 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

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DESCRIPTION	BEGINNING BALANCE	DISTRIBUTIONS	EARNINGS EXPENSES UNREALIZED	INVESTMENTS	COMPANY CONTRIBUTIONS	FORFEITURES	ENDING BALANCE
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	2.14948	0.00000	0.00000	0.00000	0.00000	0.00000	2.14948
CST	91.78767	0.00000	0.00000	0.00000	0.00000	0.00000	91.78767
FMV	65.55914	0.00000	-9.02782	0.00000	0.00000	0.00000	56.53132

CHAPMAN, LEATRICE BIRTH: 11/03/32 TERM: / / VESTD: 04/30/87 FC: CP VESTNG-YRS: 2 PCT: 100.0000 HRS: 2086
548-58-4974/00 HIRE: 10/01/86 RHIRE: ENTRY: 05/01/86 SC: AC PLAN COMPENSATION: \$17,938.07

CASH	251.38826	0.00000	0.00000	-332.16437	86.46433	0.00234	5.69056
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	130.04983	0.00000	0.00000	10.89063	0.00000	2.46071	143.40117
CST	5,228.93496	0.00000	0.00000	433.61140	0.00000	99.12936	5,761.67572
FMV	3,966.51982	0.00000	-591.95009	332.16437	0.00000	64.71678	3,771.45088

CHAVEZ, ANTONIO BIRTH: 05/28/55 TERM: 06/01/90 VESTD: 04/30/87 FC: XI VESTNG-YRS: 4 PCT: 100.0000 HRS: 0
572-95-4429/00 HIRE: 10/01/86 RHIRE: ENTRY: 05/01/86 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	36.72011	0.00000	0.00000	0.00000	0.00000	0.00000	36.72011
CST	1,476.13956	0.00000	0.00000	0.00000	0.00000	0.00000	1,476.13956
FMV	1,119.96336	0.00000	-154.22447	0.00000	0.00000	0.00000	965.73889

CUSTER, ROBERT S BIRTH: 12/27/33 TERM: / / VESTD: 04/30/92 FC: CP VESTNG-YRS: 3 PCT: 40.0000 HRS: 2340
118-24-2904/00 HIRE: 04/01/91 RHIRE: ENTRY: 05/01/90 SC: AC PLAN COMPENSATION: \$13,449.48

CASH	599.42762	0.00000	0.00000	-653.07255	64.82861	0.00175	11.18543
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	64.99723	0.00000	0.00000	21.41221	0.00000	1.84498	88.25442
CST	2,616.89142	0.00000	0.00000	852.52884	0.00000	74.32451	3,543.74477
FMV	1,982.41552	0.00000	-362.91980	653.07255	0.00000	48.52290	2,321.09117

DALKE, DANIEL R BIRTH: 12/08/51 TERM: / / VESTD: 04/30/88 FC: CP VESTNG-YRS: 7 PCT: 100.0000 HRS: 2070
573-04-6372/00 HIRE: 12/01/86 RHIRE: ENTRY: 05/01/87 SC: AC PLAN COMPENSATION: \$11,615.50

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DESCRIPTION	BEGINNING BALANCE	DISTRIBUTIONS	EARNINGS EXPENSES UNREALIZED	INVESTMENTS	COMPANY CONTRIBUTIONS	FORFEITURES	ENDING BALANCE
CASH	162.74301	0.00000	0.00000	-215.05364	55.99336	0.00151	3.68424
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	71.30205	0.00000	0.00000	7.05094	0.00000	1.59353	79.94652
CST	2,884.18924	0.00000	0.00000	280.73363	0.00000	44.19510	3,229.11797
FMV	2,174.71253	0.00000	-329.88253	215.05364	0.00000	41.90989	2,102.59353

ELIAS, ROBERT
556-53-7502/00
BIRTH: 11/03/61 TERM : 02/09/87 VESTD: 04/30/86 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
HIRE : 06/28/85 RHIRE: ENTRY: 05/01/85 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	3.82349	0.00000	0.00000	0.00000	0.00000	0.00000	3.82349
CST	160.24955	0.00000	0.00000	0.00000	0.00000	0.00000	160.24955
FMV	116.61645	0.00000	-16.05866	0.00000	0.00000	0.00000	100.55779

ESTES, BONNIE L
389-38-9500/00
BIRTH: 05/01/42 TERM : / / VESTD: 04/30/77 FC: CP VESTNG-YRS: 18 PCT: 100.0000 HRS: 2340
HIRE : 04/05/76 RHIRE: ENTRY: 04/30/79 SC: AC PLAN COMPENSATION: \$24,995.42

CASH	330.88244	0.00000	0.00000	-443.76496	120.48187	0.00326	7.60261
REC.	-0.00003	0.00000	0.00000	0.00000	0.00000	0.00000	-0.00003
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	854.07716	0.00000	0.00000	14.54967	0.00000	3.42883	872.05566
CST	33,386.48549	0.00000	0.00000	579.29618	0.00000	138.12769	34,103.91136
FMV	26,049.35338	0.00000	-3,648.23271	443.76496	0.00000	90.17822	22,935.06385

FILES, KRISTIN
572-37-9208/00
BIRTH: 03/18/61 TERM : / / VESTD: 04/30/93 FC: CP VESTNG-YRS: 2 PCT: 20.0000 HRS: 2198
HIRE : 08/04/92 RHIRE: ENTRY: 05/01/92 SC: AC PLAN COMPENSATION: \$22,559.00

CASH	241.01873	0.00000	0.00000	-343.82538	108.69456	0.00294	5.89083
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	9.71946	0.00000	0.00000	11.27296	0.00000	3.09337	24.08579
CST	392.01434	0.00000	0.00000	448.83383	0.00000	124.61581	965.46398
FMV	296.44353	0.00000	-88.16826	343.82538	0.00000	81.35566	633.45631

FROELICH, JAMES L
337-34-4423/00
BIRTH: 09/06/43 TERM : 01/15/90 VESTD: 04/30/88 FC: PP VESTNG-YRS: 3 PCT: 100.0000 HRS: 0
HIRE : 07/20/87 RHIRE: ENTRY: 05/01/87 SC: TM PLAN COMPENSATION: \$0.00

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CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	12.56288	-6.28164	0.00000	0.00000	0.00000	0.00000	6.28124
CST	512.28285	-256.14958	0.00000	0.00000	0.00000	0.00000	256.13327
FMV	383.16784	-191.59000	-26.38123	0.00000	0.00000	0.00000	165.19661

GIJON, GEORGINA C BIRTH: 12/12/50 TERM : / / VESTD: 04/30/87 FC: CP VESTNG-YRS: 8 PCT: 100.0000 HRS: 2123
565-23-4026/00 HIRE : 10/01/86 RHIRE: ENTRY: 05/01/86 SC: AC PLAN COMPENSATION: \$15,813.72

CASH	215.06824	0.00000	0.00000	-286.38854	76.22462	0.00204	4.90638
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	111.08309	0.00000	0.00000	9.38979	0.00000	2.14930	122.64218
CST	4.466.15819	0.00000	0.00000	373.85508	0.00000	87.39978	4.927.40305
FMV	3,388.03425	0.00000	-505.98605	286.38854	0.00000	57.05258	3,225.48932

GYERMAN, JANETTE BIRTH: 02/12/66 TERM : 10/24/89 VESTD: 04/30/87 FC: XI VESTNG-YRS: 3 PCT: 100.0000 HRS: 0
571-57-2745/00 HIRE : 09/25/86 RHIRE: ENTRY: 05/01/86 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	22.38875	0.00000	0.00000	0.00000	0.00000	0.00000	22.38875
CST	896.74605	0.00000	0.00000	0.00000	0.00000	0.00000	896.74605
FMV	682.85688	0.00000	-94.03276	0.00000	0.00000	0.00000	588.82413

HERNANDEZ, CESAR E BIRTH: 01/03/70 TERM : / / VESTD: 04/30/91 FC: CP VESTNG-YRS: 4 PCT: 60.0000 HRS: 2350
567-45-1766/00 HIRE : 05/18/90 RHIRE: ENTRY: 05/01/90 SC: AC PLAN COMPENSATION: \$25,368.75

CASH	364.92900	0.00000	0.00000	-479.00751	122.28138	0.00330	8.20617
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	49.18873	0.00000	0.00000	15.70516	0.00000	3.48004	68.37393
CST	1,980.18184	0.00000	0.00000	625.30223	0.00000	140.19278	2,745.67685
FMV	1,500.25627	0.00000	-272.55447	479.00751	0.00000	91.52512	1,798.23443

HERNANDEZ, MANUAL BIRTH: 12/20/29 TERM : / / VESTD: 04/30/90 FC: CP VESTNG-YRS: 3 PCT: 40.0000 HRS: 768
570-24-9387/00 HIRE : 05/30/89 RHIRE: ENTRY: 05/01/89 SC: AC PLAN COMPENSATION: \$8,010.97

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CASH	114.23224	0.00000	0.00000	-150.27300	38.61414	0.00104	2.57442
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	85.19985	0.00000	0.00000	4.92698	0.00000	1.09893	91.22576
CST	3,432.56989	0.00000	0.00000	196.16820	0.00000	44.27022	3,673.00831
FMV	2,598.59543	0.00000	-378.53280	150.27300	0.00000	28.90190	2,399.23753

HOWARD, FRED G BIRTH: 12/07/32 TERM: 05/17/88 VESTD: 04/30/86 FC: XI VESTING-YRS: 3 PCT: 100.0000 HRS: 0
571-34-1371/00 HIRE: 04/15/85 RHIRE: ENTRY: 04/30/85 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	42.75580	0.00000	0.00000	0.00000	0.00000	0.00000	42.75580
CST	1,785.96932	0.00000	0.00000	0.00000	0.00000	0.00000	1,785.96932
FMV	1,304.05190	0.00000	-179.57436	0.00000	0.00000	0.00000	1,124.47754

HUTTON, CANDI J BIRTH: 09/01/48 TERM: / / VESTD: 04/30/78 FC: CP VESTING-YRS: 17 PCT: 100.0000 HRS: 2340
572-74-9192/00 HIRE: 09/12/77 RHIRE: ENTRY: 04/30/79 SC: AC PLAN COMPENSATION: \$30,529.78

CASH	130.62878	0.00000	0.00000	-277.78713	147.15835	0.00398	0.00398
REC.	-0.00004	0.00000	0.00000	0.00000	0.00000	0.00000	-0.00004
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	2,996.77000	0.00000	334.92000	0.00000	0.00000	0.00000	3,331.69000
STK 1							
SHS	805.89881	0.00000	0.00000	-0.05288	0.00000	4.18802	810.03395
CST	31,594.47539	0.00000	0.00000	-2,07311	0.00000	168.71367	31,761.11595
FMV	24,579.91371	0.00000	-3,384.55288	-1.61287	0.00000	110.14503	21,303.89299

KIGHT, CHUCK BIRTH: 01/08/32 TERM: 01/26/90 VESTD: 04/30/88 FC: XI VESTING-YRS: 3 PCT: 100.0000 HRS: 0
263-42-5807/00 HIRE: 05/01/87 RHIRE: ENTRY: 05/01/87 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	20.48162	0.00000	0.00000	0.00000	0.00000	0.00000	20.48162
CST	832.63476	0.00000	0.00000	0.00000	0.00000	0.00000	832.63476
FMV	624.68941	0.00000	-86.02280	0.00000	0.00000	0.00000	538.66661

KILSHEIMER, THOMAS P BIRTH: 03/17/61 TERM: 11/09/88 VESTD: 04/30/87 FC: XI VESTING-YRS: 3 PCT: 100.0000 HRS: 0
265-61-9215/00 HIRE: 10/01/86 RHIRE: ENTRY: 05/01/86 SC: TN PLAN COMPENSATION: \$0.00

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CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	3.56598	0.00000	0.00000	0.00000	0.00000	0.00000	3.56598
CST	140.74037	0.00000	0.00000	0.00000	0.00000	0.00000	140.74037
FMV	108.76239	0.00000	-14.97712	0.00000	0.00000	0.00000	93.78527

LEDEZMA, FELIPE M BIRTH: 08/23/58 TERM : 05/03/91 VESTD: 04/30/89 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
567-65-4377/00 HIRE : 03/13/89 RHIRE: ENTRY: 05/01/86 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	7.41993	0.00000	0.00000	0.00000	0.00000	0.00000	7.41993
CST	299.05483	0.00000	0.00000	0.00000	0.00000	0.00000	299.05483
FMV	226.30787	0.00000	-31.16371	0.00000	0.00000	0.00000	195.14416

LOCKE, JAMES W BIRTH: 09/19/64 TERM : / / VESTD: 04/30/87 FC: CP VESTNG-YRS: 8 PCT: 100.0000 HRS: 2340
557-57-5743/00 HIRE : 05/20/85 RHIRE: ENTRY: 05/01/86 SC: AC PLAN COMPENSATION: \$38,873.12

CASH	453.25414	0.00000	0.00000	-629.84283	187.37457	0.00366	10.79094
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	230.99335	0.00000	0.00000	20.65058	0.00000	5.33255	256.97648
CST	9,276.50484	0.00000	0.00000	822.20448	0.00000	214.82063	10,313.52995
FMV	7,043.36428	0.00000	-1,056.91389	629.84283	0.00000	140.24604	6,758.53926

LOCKE, JOHN C BIRTH: 09/02/26 TERM : / / VESTD: 04/30/72 FC: CP VESTNG-YRS: 23 PCT: 100.0000 HRS: 2340
353-14-6341/00 HIRE : 11/01/71 RHIRE: ENTRY: 04/30/79 SC: AC PLAN COMPENSATION: \$80,835.03

CASH	0.27525	0.00000	0.00000	-389.91284	389.63759	0.01053	0.01053
REC.	0.00003	0.00000	0.00000	0.00000	0.00000	0.00000	0.00003
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	37,723.73000	0.00000	5,725.49000	0.00000	0.00000	0.00000	43,449.22000
STK 1							
SHS	5,966.19379	0.00000	0.00000	-83.74056	0.00000	11.08881	5,893.54204
CST	232,597.16647	0.00000	0.00000	-3,264.69734	0.00000	446.71033	229,779.17966
FMV	181,968.91060	0.00000	-24,706.30349	-2,554.08716	0.00000	291.63579	155,000.15574

LOPEZ, ARTHUR BIRTH: 07/14/24 TERM : 11/17/87 VESTD: 04/30/87 FC: BD VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
573-32-1711/00 HIRE : 10/01/86 RHIRE: ENTRY: 05/01/86 SC: BD PLAN COMPENSATION: \$0.00

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CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	13.37484	0.00000	0.00000	0.00000	0.00000	0.00000	13.37484
CST	519.01154	0.00000	0.00000	0.00000	0.00000	0.00000	519.01154
FHV	407.93262	0.00000	-56.17433	0.00000	0.00000	0.00000	351.75829

MCCLENNAN, RAYMOND L BIRTH: 07/03/29 TERM : 10/11/85 VESTD: 04/30/85 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
563-30-7444/00 HIRE : 08/06/84 RHIRE: ENTRY: 04/30/85 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	1.90415	0.00000	0.00000	0.00000	0.00000	0.00000	1.90415
CST	79.83967	0.00000	0.00000	0.00000	0.00000	0.00000	79.83967
FHV	58.07658	0.00000	-7.99744	0.00000	0.00000	0.00000	50.07915

MILAN, RAUL BIRTH: 12/24/56 TERM : / / VESTD: / / FC: NP VESTNG-YRS: 0 PCT: 0.0000 HRS: 49
529-61-7477/00 HIRE : 04/18/94 RHIRE: ENTRY: 05/01/93 SC: AC PLAN COMPENSATION: \$425.00

CASH	0.00000	0.00000	0.00000	-2.01408	2.04357	0.00000	0.03455
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	0.00000	0.00000	0.00000	0.06603	0.00000	0.05830	0.12433
CST	0.00000	0.00000	0.00000	2.62920	0.00000	2.34863	4.97783
FHV	0.00000	0.00000	-0.27749	2.01408	0.00000	1.53331	3.26990

MOLINA, JR., DANIEL BIRTH: 02/23/63 TERM : 08/26/87 VESTD: 04/30/86 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
560-51-4771/00 HIRE : 05/28/85 RHIRE: ENTRY: 05/01/85 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	4.81166	0.00000	0.00000	0.00000	0.00000	0.00000	4.81166
CST	199.87683	0.00000	0.00000	0.00000	0.00000	0.00000	199.87683
FHV	146.75563	0.00000	-20.20897	0.00000	0.00000	0.00000	126.54666

MONIZON, RENE BIRTH: 06/02/70 TERM : / / VESTD: 04/30/92 FC: CP VESTNG-YRS: 3 PCT: 40.0000 HRS: 2396
517-58-1609/00 HIRE : 07/28/91 RHIRE: ENTRY: 05/01/92 SC: AC PLAN COMPENSATION: \$18,002.55

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CASH	217.55299	0.00000	0.00000	-299.20433	86.77513	0.00234	5.12613
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	8.77316	0.00000	0.00000	9.80998	0.00000	2.46956	21.03270
CST	353.84756	0.00000	0.00000	390.58496	0.00000	99.48569	843.91821
FNW	267.58138	0.00000	-78.04913	299.20433	0.00000	64.94941	553.68599

MUTSKEN, DOMNA BIRTH: 08/12/61 TERM : / / VESTD: / / FC: NP VESTNG-YRS: 0 PCT: 0.0000 HRS: 280
546-37-3602/00 HIRE : 03/07/94 RHIRE: ENTRY: 05/01/93 SC: AC PLAN COMPENSATION: \$2,380.00

CASH	0.00000	0.00000	0.00000	-11.27883	11.47198	0.00031	0.19346
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	0.00000	0.00000	0.00000	0.36980	0.00000	0.32648	0.69628
CST	0.00000	0.00000	0.00000	14.72352	0.00000	13.15236	27.87588
FNW	0.00000	0.00000	-1.55309	11.27883	0.00000	8.58634	18.31228

NELSON, WARREN D BIRTH: 11/18/62 TERM : 12/09/86 VESTD: 04/30/86 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
567-53-6597/00 HIRE : 05/20/85 RHIRE: ENTRY: 05/01/85 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	1.48896	0.00000	0.00000	0.00000	0.00000	0.00000	1.48896
CST	65.42780	0.00000	0.00000	0.00000	0.00000	0.00000	65.42780
FNW	45.41328	0.00000	-6.25363	0.00000	0.00000	0.00000	39.15965

MUNEZ, SABINO BIRTH: 03/15/60 TERM : 06/08/90 VESTD: 04/30/89 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
566-45-1763/00 HIRE : 07/26/88 RHIRE: ENTRY: 05/01/88 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	8.73102	0.00000	0.00000	0.00000	0.00000	0.00000	8.73102
CST	354.46486	0.00000	0.00000	0.00000	0.00000	0.00000	354.46486
FNW	266.29611	0.00000	-36.67028	0.00000	0.00000	0.00000	229.62583

PAEZ, RICARDO BIRTH: 01/14/61 TERM : 02/26/93 VESTD: 04/30/87 FC: XI VESTNG-YRS: 7 PCT: 100.0000 HRS: 0
608-16-6205/00 HIRE : 10/01/86 RHIRE: ENTRY: 05/01/86 SC: TM PLAN COMPENSATION: \$0.00

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CASH	1.00607	0.00000	0.00000	-0.98913	0.00000	0.00000	0.01694
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	81.84615	0.00000	0.00000	0.03243	0.00000	0.00000	81.87858
CST	3,287.98143	0.00000	0.00000	1.29122	0.00000	0.00000	3,289.27265
FMV	2,496.30758	0.00000	-343.89006	0.98913	0.00000	0.00000	2,153.40665

PETERS, CHRISTOPHER J BIRTH: 12/26/62 TERM : 07/01/88 VESTD: 04/30/87 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
527-43-4145/00 HIRE : 06/02/86 RHIRE: ENTRY: 05/01/86 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	7.11459	0.00000	0.00000	0.00000	0.00000	0.00000	7.11459
CST	279.65134	0.00000	0.00000	0.00000	0.00000	0.00000	279.65134
FMV	216.99500	0.00000	-29.88128	0.00000	0.00000	0.00000	187.11372

PIERCE, ROBERT W BIRTH: 02/18/46 TERM : 09/04/87 VESTD: 04/30/87 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
565-74-7674/00 HIRE : 10/27/86 RHIRE: ENTRY: 05/01/86 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	1.47179	0.00000	0.00000	0.00000	0.00000	0.00000	1.47179
CST	57.11287	0.00000	0.00000	0.00000	0.00000	0.00000	57.11287
FMV	44.88960	0.00000	-6.18152	0.00000	0.00000	0.00000	38.70808

PLAMIN, EDMUND A BIRTH: 01/25/39 TERM : 02/17/89 VESTD: 04/30/86 FC: XI VESTNG-YRS: 4 PCT: 100.0000 HRS: 0
215-34-0440/00 HIRE : 03/14/85 RHIRE: ENTRY: 04/30/85 SC: TM PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	17.29861	0.00000	0.00000	0.00000	0.00000	0.00000	17.29861
CST	721.57523	0.00000	0.00000	0.00000	0.00000	0.00000	721.57523
FMV	527.60761	0.00000	-72.65417	0.00000	0.00000	0.00000	454.95344

REGAN, GERALD F BIRTH: 02/08/47 TERM : 12/11/92 VESTD: 04/30/89 FC: XI VESTNG-YRS: 4 PCT: 100.0000 HRS: 0
547-66-9684/00 HIRE : 01/16/89 RHIRE: ENTRY: 05/01/88 SC: TM PLAN COMPENSATION: \$0.00

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CASH	1.92766	0.00000	0.00000	-1.89521	0.00000	-0.03245	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	90.47944	0.00000	0.00000	0.06214	0.00000	-36.21589	54.32569
CST	3.643.46545	0.00000	0.00000	2.47403	0.00000	-1,459.14590	2,188.79358
FMV	2,759.62292	0.00000	-380.27458	1.89521	0.00000	-952.47795	1,428.76560

SMITH, DONALD A BIRTH: 01/25/31 TERM : / / VESTD: 04/30/92 FC: CP VESTNG-YRS: 3 PCT: 40.0000 HRS: 2340
566-36-3391/00 HIRE : 04/01/91 RHIRE: ENTRY: 05/01/90 SC: AC PLAN COMPENSATION: \$47,395.79

CASH	646.80804	0.00000	0.00000	-860.52694	228.45518	0.00617	14.74245
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	63.83897	0.00000	0.00000	28.21399	0.00000	6.50167	98.55463
CST	2,570.52445	0.00000	0.00000	1,123.34233	0.00000	261.91861	3,955.78539
FMV	1,947.08859	0.00000	-386.62268	860.52694	0.00000	170.99404	2,591.98689

SMITH, MARGARET E BIRTH: 06/06/34 TERM : / / VESTD: 04/30/87 FC: CP VESTNG-YRS: 8 PCT: 100.0000 HRS: 2340
547-44-4042/00 HIRE : 10/01/86 RHIRE: ENTRY: 05/01/86 SC: AC PLAN COMPENSATION: \$21,076.96

CASH	281.57153	0.00000	0.00000	-376.71468	101.59427	0.00275	6.45388
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	148.22451	0.00000	0.00000	12.35130	0.00000	2.89130	163.46711
CST	5,958.51783	0.00000	0.00000	491.76791	0.00000	116.47549	6,566.76123
FMV	4,520.84756	0.00000	-674.41844	376.71468	0.00000	76.04124	4,299.18504

SPENCE, ELDON A BIRTH: 08/07/43 TERM : 10/01/93 VESTD: 04/30/87 FC: TI VESTNG-YRS: 8 PCT: 100.0000 HRS: 1056
548-23-3547/00 HIRE : 10/01/86 RHIRE: ENTRY: 05/01/86 SC: TN PLAN COMPENSATION: \$8,048.83

CASH	225.37237	0.00000	0.00000	-221.57791	0.00000	0.00000	3.79446
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	114.07330	0.00000	0.00000	7.26485	0.00000	0.00000	121.33815
CST	4,583.38164	0.00000	0.00000	289.25049	0.00000	0.00000	4,872.63213
FMV	3,479.23565	0.00000	-309.62022	221.57791	0.00000	0.00000	3,191.19335

TOPETE, MIGUEL BIRTH: 06/19/66 TERM : 11/28/89 VESTD: 04/30/87 FC: PP VESTNG-YRS: 4 PCT: 100.0000 HRS: 0
592-11-3631/00 HIRE : 10/01/86 RHIRE: ENTRY: 05/01/87 SC: TN PLAN COMPENSATION: \$0.00

BR001811

CLIENT : ACC
PVE : 04/30/94
STR END: 04/30/94

BSI
ANGELES CHEMICAL COMPANY
ALLOCATION SUMMARY REPORT-IND.

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DESCRIPTION	BEGINNING BALANCE	DISTRIBUTIONS	EARNINGS EXPENSES UNREALIZED	INVESTMENTS	COMPANY CONTRIBUTIONS	FORFEITURES	ENDING BALANCE
CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	13.84628	-4.53967	0.00000	0.00000	0.00000	0.00000	9.30661
CST	564.58051	-185.10453	0.00000	0.00000	0.00000	0.00000	379.47598
FMV	422.31154	-138.46000	-39.08770	0.00000	0.00000	0.00000	244.76384

TRACY, JOHN J BIRTH: 05/04/46 TERM : 12/31/88 VESTD: 04/30/85 FC: PB VESTNG-YRS: 5 PCT: 0.0000 HRS: 0
032-34-0182/00 HIRE : 05/21/84 RHIRE: ENTRY: 04/30/85 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	63.83329	-63.83329	0.00000	0.00000	0.00000	0.00000	0.00000
CST	2,669.33623	-2,669.33623	0.00000	0.00000	0.00000	0.00000	0.00000
FMV	1,946.91535	-1,946.91535	0.00000	0.00000	0.00000	0.00000	0.00000

TURNER, JACQUELINE BIRTH: 12/26/30 TERM : / / VESTD: 04/30/87 FC: CP VESTNG-YRS: 8 PCT: 100.0000 HRS: 2123
291-26-1907/00 HIRE : 10/10/86 RHIRE: ENTRY: 05/01/86 SC: AC PLAN COMPENSATION: \$19,931.77

CASH	242.67717	0.00000	0.00000	-333.14287	96.17068	0.00260	5.70758
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	133,38137	0.00000	0.00000	10,92272	0.00000	2,73695	147,04104
CST	5,360.59958	0.00000	0.00000	434,88875	0.00000	110,25747	5,905,74610
FMV	4,068.13179	0.00000	-606,07709	333,14287	0.00000	71,98179	3,867,17936

URIBE, PABLO A BIRTH: 08/14/62 TERM : 01/17/92 VESTD: 04/30/91 FC: XI VESTNG-YRS: 2 PCT: 100.0000 HRS: 0
604-22-8813/00 HIRE : 04/16/90 RHIRE: ENTRY: 05/01/89 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	4.04970	0.00000	0.00000	0.00000	0.00000	0.00000	4.04970
CST	162.91223	0.00000	0.00000	0.00000	0.00000	0.00000	162.91223
FMV	123.51585	0.00000	-17.60974	0.00000	0.00000	0.00000	106.50711

VEAL, ROSEVELT BIRTH: 02/26/56 TERM : 10/30/92 VESTD: 04/30/89 FC: XX VESTNG-YRS: 4 PCT: 100.0000 HRS: 0
426-08-5072/00 HIRE : 01/23/89 RHIRE: ENTRY: 05/01/88 SC: TN PLAN COMPENSATION: \$0.00

CLIENT : ACC
PYE : 04/30/94
GTR END: 04/30/94

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ANGELES CHEMICAL COMPANY
ALLOCATION SUMMARY REPORT-IND.

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TIME: 14:55:59

DESCRIPTION	BEGINNING BALANCE	DISTRIBUTIONS	EARNINGS EXPENSES UNREALIZED	INVESTMENTS	COMPANY CONTRIBUTIONS	FORFEITURES	ENDING BALANCE
CASH	2.08491	0.00000	0.00000	-2.04981	0.00000	-0.03510	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	87.26369	0.00000	0.00000	0.06721	0.00000	-34.93236	52.40054
CST	3,515.02111	0.00000	0.00000	2.67584	0.00000	-1,407.04656	2,110.65039
FMV	2,661.60355	0.00000	-366.79809	2.04981	0.00000	-918.72105	1,378.13422

WATSON, JOSEPH W BIRTH: 01/10/58 TERM : 11/09/87 VESTD: 04/30/87 FC: X1 VESTING-YRS: 2 PCT: 100.0000 HRS: 0
551-43-7164/00 HIRE : 10/01/86 RHIRE: ENTRY: 05/01/86 SC: TN PLAN COMPENSATION: \$0.00

CASH	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	2.42794	0.00000	0.00000	0.00000	0.00000	0.00000	2.42794
CST	94.21658	0.00000	0.00000	0.00000	0.00000	0.00000	94.21658
FMV	74.05217	0.00000	-10.19735	0.00000	0.00000	0.00000	63.85482

WINNICK, ROBERT A BIRTH: 08/09/52 TERM : 12/10/93 VESTD: 04/30/92 FC: T1 VESTING-YRS: 3 PCT: 40.0000 HRS: 1530
563-98-1217/00 HIRE : 04/01/91 RHIRE: ENTRY: 05/01/90 SC: TN PLAN COMPENSATION: \$31,247.86

CASH	646.55403	0.00000	0.00000	-635.66839	0.00000	0.00000	10.88564
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	61.47436	0.00000	0.00000	20.84158	0.00000	0.00000	82.31594
CST	2,475.41994	0.00000	0.00000	229.80924	0.00000	0.00000	3,305.22918
FMV	1,874.96798	0.00000	-345.72715	635.66839	0.00000	0.00000	2,164.90922

WOODS, EARNON BIRTH: 08/30/35 TERM : / / VESTD: 04/30/87 FC: CP VESTING-YRS: 8 PCT: 100.0000 HRS: 2340
426-64-0362/00 HIRE : 10/01/86 RHIRE: ENTRY: 05/01/86 SC: AC PLAN COMPENSATION: \$27,764.33

CASH	414.79985	0.00000	0.00000	-539.39059	133.82845	0.00362	9.24053
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	192.83328	0.00000	0.00000	17.68494	0.00000	3.80866	214.32688
CST	7,751.57461	0.00000	0.00000	704.12703	0.00000	153.43124	8,609.13288
FMV	5,881.41504	0.00000	-884.17644	539.39059	0.00000	100.16786	5,636.79705

YOUNGER, ALONZO BIRTH: 05/01/48 TERM : / / VESTD: / / FC: NP VESTING-YRS: 0 PCT: 0.0000 HRS: 765
156-42-1213/00 HIRE : 01/01/94 RHIRE: ENTRY: 05/01/93 SC: AC PLAN COMPENSATION: \$12,325.00

CLIENT : ACC
 PYE : 06/30/94
 BTR END: 06/30/94

ESI
 ANGELES CHEMICAL COMPANY
 ALLOCATION SUMMARY REPORT-IND.

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DESCRIPTION	BEGINNING BALANCE	DISTRIBUTIONS	EARNINGS EXPENSES UNREALIZED	INVESTMENTS	COMPANY CONTRIBUTIONS	FORFEITURES	ENDING BALANCE
CASH	0.00000	0.00000	0.00000	-58.40822	59.40844	0.00161	1.00183
REC.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
STK 1							
SHS	0.00000	0.00000	0.00000	1.91502	0.00000	1.69072	3.60574
CST	0.00000	0.00000	0.00000	76.24679	0.00000	68.11041	144.35720
FMV	0.00000	0.00000	-8.04319	58.40822	0.00000	44.46601	94.83104

*** GRAND TOTALS ***

CASH	6,813.85000	0.00000	0.00000	-9,168.28002	2,500.00001	0.00002	145.57002
REC.	-0.00008	0.00000	0.00000	0.00000	0.00000	0.00000	-0.00008
S/A	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
CSV	40,720.50000	0.00000	6,060.41000	0.00000	0.00000	0.00000	46,780.91000
STK 1							
SHS	14,065.00001	-194.91403	0.00000	194.91404	0.00000	-0.00003	14,064.99999
CST	550,956.09714	-7,829.98976	0.00000	7,829.98998	0.00000	0.00000	550,956.09736
FMV	428,982.50044	-5,944.87335	-59,073.00460	5,944.88002	0.00000	0.00001	369,909.50036

FMV/SH
 26.30

Menke & Associates, Inc.
Corporate Financial Consultants

Livingston, New Jersey

*111 Second Street
San Francisco, California 94105
(415) 543-3000
Fax (415) 543-2489*

October 14, 1988

CONFIDENTIAL

Trustee
Employee Stock Ownership Plan
Angeles Chemical Co.
P.O. Box 2163
Santa Fe Springs, California 90670

Gentlemen:

You have requested we establish the fair market value of the common stock of Angeles Chemical for Employee Stock Ownership Trust (ESOT) purposes as of April 30, 1988.

Our evaluation places a fair market value of \$1,730,000 on the common stock of Angeles Chemical Co. as of April 30, 1988. Based on 54,065 A and B common shares outstanding, the value per share is \$32.00. This evaluation is derived from adjusting book value with some support from a positive cash flow.

Earnings prospects can change, as can the general economic climate. Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

Very truly yours,

MENKE & ASSOCIATES, INC.



Eric M. Bramstedt

EMB:ew

BR001815

Menke & Associates, Inc.

I. INTRODUCTION

Angeles Chemical Co. ("Anchem" or the "Company") has requested Menke & Associates render its opinion as to the fair market value of the Company's common stock in connection with transactions involving the Company's Employee Stock Ownership Trust (ESOT). This valuation is based on financial data provided us for the five fiscal years ended April 30, 1988 and is determined by valuation methods derived from capitalizing cash flow combined with adjusted book value.

In that regard, Menke & Associates places a fair market value of \$1,730,000 or \$32.00 per share on the common stock of Anchem as of April 30, 1988 based on 54,065 A and B shares outstanding.

Anchem is a closely held corporation with no present market for its common stock. It is a regional Southern California liquid chemical distributor whose products are primarily used in industrial and commercial coating applications. Sales in fiscal 1988 were \$9.4 million, having dropped steadily from a peak of \$16.8 million in fiscal 1982. Anchem essentially broke even in fiscal 1987, the first year of nonprofitability since its founding in 1972. The Company has a solid balance sheet with essentially no long-term debt.

Scope of the Valuation Study

The purpose of this valuation study is to determine the fair market value of a minority interest in the common stock of Anchem as of April 30, 1988 for transactions involving the Company's Employee Stock Ownership Plan.

In performing this valuation study, a variety of data and assumptions were used. The financial information on past performance was gathered from the financial statements of Anchem as prepared by its accounting firm for the past five fiscal years. We have included in Appendix I a copy of Anchem's most recent financial statement for the year ended April 30, 1988.

Projections of expected future financial performance through fiscal 1989 were provided by management. The appraiser has visited the Company's facilities in Santa Fe Springs, California. Interviews were held with members of management and with certain outside sources with regard to the chemical distribution industry and Anchem's relative position within the industry.

In ascertaining the value of the Company, published data on publicly traded companies was utilized in an effort to find comparable companies. There were no companies which were found to be directly comparable.

Menke & Associates, Inc.

Prior ESOP Valuations and Reports

Anchem's ESOP was established during fiscal year 1984 as a conversion from a profit sharing plan. ESOP valuations for 1984, 1985 and 1986 were prepared by Charles B. Stark, Jr., PC; the fiscal 1987 and 1988 valuations were conducted by Menke & Associates. The table below illustrates the aggregate ESOP (minority interest) values relative to certain financial criteria:

ESOP Valuation Summary

Date	Aggregate ESOP Value	Percent of			Times		
		Sales	Assets	Equity	Gross Profit	Operating Income	Pretax Earnings
4/30/88	\$1,730,000	18.3%	56.5%	81%	0.72X	Neg.	Neg.
4/30/87	2,122,604	20.2	65.0	100	0.78	22.6X	26.9X
4/30/86	2,600,000	21.4	79.2	127	1.17	31.3	12.1
4/30/85	2,500,000	18.5	78.0	140	1.12	10.9	6.0
1/01/84*	2,250,000	15.0	71.8	134	1.14	17.2	6.3

* Using FY 4/30/83 financial results

Per share values were \$32.00 and \$39.25 on 54,065 Class A and B shares in fiscal 1988 and fiscal 1987; \$48.20 on 54,209 A and B shares in fiscal 1986; and \$48.20 on 51,867 A and B shares in fiscal 1985.

Menke & Associates' fiscal 1987 valuation conclusion was documented in a report dated November 1987 and which is herein incorporated. Among other information, this report contains a description of the chemical distribution industry; Anchem's history, operating description and management; and the valuation methodology employed.

Limitations of this Valuation

In preparing the valuation, Menke & Associates relied upon and assumed the accuracy and completeness of all financial, statistical and other information provided by Anchem. Menke & Associates also considered information based upon other publicly available sources which it believes to be reliable, however Menke & Associates and the appraiser do not guarantee the accuracy and completeness of such information and did not independently verify the financial statements and other information. The appraiser is not aware of material omissions or understatements which would affect values contained in this report. The fair market value arrived at herein represents the appraiser's considered opinion based upon the facts and information presented to him. No legal opinion is expressed by this report and its accompanying documents.

This appraisal is intended for the purpose(s) stated herein. Any other application by the Company, its shareholders and others may not be appropriate.

Menke & Associates, Inc.

Neither the appraiser nor Menke & Associates, Inc. has any present financial interest in Anchem, and the fee for this valuation is not contingent upon the value(s) determined. The qualifications of Menke & Associates to undertake this valuation are summarized in Appendix II.

II. VALUATION PROCESS

The stock in this valuation has been evaluated based upon:
(1) the pertinent principles, regulations and guidelines of the Internal Revenue Service; (2) analysis of the Company's financial statements; (3) thorough discussions with management; and
(4) analysis of relevant industry conditions and other factors.

Definitions

The following terms will recur throughout the valuation and should be understood by the following definitions, except as otherwise noted:

Fair Market Value -- The Internal Revenue Service has defined "fair market value" in Revenue Ruling 59-60, issued in March 1959, as:

"...the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Court decisions frequently state, in addition, that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and be well informed about the property and concerning the market for such property."

This definition is widely accepted and used in courts of law and in tax literature and is the most widely used approach in valuing closely held securities. It is the basic definition upon which we have relied in determining the fair market value of the Company's stock. Revenue Ruling 59-60 was issued for estate valuation purposes, but is not limited to that use. It serves as a guide in virtually all valuation situations requiring the determination of fair market value.

Pretax and Pre-Contribution Earnings -- Pretax earnings refer to earnings or income before federal, state and local income taxes. Pre-contribution earnings refer to pretax earnings before discretionary employee benefit plan contributions.

ESOP -- Employee Stock Ownership Plan and ESOT -- Employee Stock Ownership Trust refer essentially to the same entity and for purposes of this valuation can be considered interchangeable.

IRS Guidelines

In general, a company whose securities are traded in volume by informed persons in a free and active market has its fair market value determined continuously. The prices at which the securities of such a company trade are a reflection of the collective

Menke & Associates, Inc.

opinion of the investing public as to what the future prospects of the company are at that point of time. However, when a stock is traded infrequently, or is traded in an erratic market, or is closely held, such as in the case of Angeles Chemical, some other measure of value must be found.

The Internal Revenue Code of 1954, Section 2031(b), specifies that the value of stocks and securities of corporations not listed on an exchange or freely traded "...shall be determined by taking into consideration, in addition to all other factors, the value of stock or securities of corporations engaged in the same or a similar line of business which are listed on an exchange."

Revenue Ruling 59-60, issued in March 1959 for estate valuation purposes and extended to include the determination of fair market value of closely held businesses for income and other tax purposes by Revenue Ruling 65-193, further develops a set of eight criteria which, while not all-inclusive, are fundamental to the appraisal of the fair market value of closely held companies. They include:

- History of the Company and Nature of Its Business
- Economic Outlook in General and Condition and Outlook of the Industry in Particular
- Book Value of the Stock and Financial Condition of the Business
- Earnings Capacity of the Company
- Dividend Paying Capacity
- Whether or Not the Enterprise Has Goodwill or Other Intangible Assets
- Sales of Stock and Size of the Block of Stock to be Valued
- The Market Price of Stocks of Corporations Engaged in the Same or a Similar Line of Business Having Their Stocks Actively Traded in a Free and Open Market or Over the Counter

The Effect of ESOP Contributions on Fair Market Value

Anchem's ESOP was established in fiscal 1984. The Company made a cash contribution of \$6,500 in fiscal 1988, \$65,000 in fiscal 1987, and in "B" stock the prior two years.

The implementation of an Employee Stock Ownership Plan may have a material effect on the profitability and cash flows of a business enterprise. The effect on profitability and cash flows can, as a consequence, directly impact the fair market value of the business enterprise. The degree of effect depends on how the ESOP is used and can vary by changing the amount and/or nature of the annual contribution itself (cash or stock).

An additional consideration in determining fair market value for an ESOP company is how the Company is providing for the emerging liability created when vested terminated plan participants tender Company stock for redemption.

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For detailed discussions of the effect of cash and/or stock contributions on earnings, cash flows and book values and of the impact of emerging liability treatment on ESOP stock marketability, see Section II of the November 1987 valuation study.

Comparability in Accounting Methods

The accounting profession allows a number of alternative accounting treatments in areas such as inventory and depreciation accounting. Depending upon the particular accounting method utilized, reported earnings may differ materially within a given year. These accounting treatments, which are permitted under Generally Accepted Accounting Principles (GAAP), are usually one-time decisions. Once a company has opted for a particular accounting treatment it cannot change between various accounting alternatives year after year without good cause. Because of these rules, accounting statements for a particular company are generally comparable from year to year. This comparability, however, may not exist from company to company even if they are in the same industry. This is especially true if one is comparing a "public" company with a "closely held" company.

A further discussion of Menke & Associates perception of the differences and economic ramifications of public and private Company accounting procedures is also found in Section II of the November 1987 valuation study.

Discounts to Fair Market Value

The marketability of the company's stock, the control position of majority shareholders, and the relationship of these factors to the block of stock being valued can also affect the concluded value. Closely held stock, which lacks marketability, is far less attractive than a similar stock with ready access to the public marketplace. A minority stock interest in a closed corporation is usually worth much less than a proportionate share of the entity value of all the corporate stock. In valuing a block of stock, Revenue Rulings and court decisions provide a basis for concluding that a discount is valid for an absence of marketability if the value base does not already reflect the lack of marketability.

In the absence of an ESOP or adjustments to capitalization rates, discounts can range from 10% to 30% or more. When both discounts are applied, they are sequential.

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III. COMPANY AND INDUSTRY

Angeles Chemical is a resale/distributor primarily of liquid industrial chemicals used principally in the coating process. About 60% of sales are industrial chemicals, and the balance packaging various solvents for building supply retailers.

The Company has about 150 active industrial customers and 400-500 in the packaging division, all of which are located in Southern California. Its average shipment is about \$1,000. Its biggest customers have been Standard Brands Paint Co. and Ellis Paint Co. Ellis is owned by Raymond Berg, an Anchem founder and current shareholder.

As discussed in last year's valuation study, business from Standard Brands Paint (paint thinner), which accounted for about 5% of sales in fiscal 1987, had dropped sharply in the first quarter (May to July 1987) of fiscal 1988. To this date, sales to Standard Brands have not recovered. In the fall of 1986, the Company lost its largest account, Boyle-Midway (Wizard charcoal lighter), to which sales had been as high as \$1.9 million (16% of total) in fiscal 1986. In the last quarter of fiscal 1988 Home Club, described as a \$1 million account, stopped buying from Bortz, an Anchem division.

In an effort to diversify its products and markets, Anchem purchased Bortz Oil in fiscal 1986 from its owner for \$450,000 -- \$80,000 in cash and \$370,000 in a two year secured promissory note. Specifically, Anchem acquired the name, trade receivables, customer accounts and certain assets of Bortz Oil and has a three year marketing agreement with Steve Bortz, son of the seller. Bortz is a packager of thinners and finishers in small containers for the consumer/retail market. Prior to the acquisition, it was losing money on about \$3 million in sales.

Anchem's basic raw materials are these organic chemicals - propylene, methanol, toluene, xylene, ethylene glycol, acetone and isopropyl/alcohol. These are forms of petroleum distillates which are purchased from Shell, Chevron, Union Carbide, Exxon, Celanese and Vulkan Materials. The Company has on-site 32 underground storage tanks of 5,000 to 20,000 gallons capacity each and 9 above-ground tanks (old railroad tank cars of 2,000 gallons capacity each).

Anchem operates out of administrative offices, packaging and storage facilities on a 1.8 acre site in Santa Fe Springs, California. The structures and improvements are Company-owned, while the underlying real estate is owned by a partnership comprised of the three founding stockholders -- John Locke, Raymond Berg and Arnold Rosenthal. Mr. Rosenthal is no longer active in the Company. Mr. Locke has informed Menke & Associates of a proposal for the Company to purchase the Santa Fe Springs real estate from the partnership at fair market value. To the degree that such a transaction would impair the Company's liquidity and/or increase

Menke & Associates, Inc.

its financial leverage through debt issuance, the transaction could have a negative effect on future ESOP valuations. The Company rents the land for approximately \$72,600 per year on a triple net basis.

Anchem rents 20,000 square feet of warehouse space in a Los Angeles building owned by Raymond Berg. The Company is considering relocating this warehouse space to a site adjacent to its plant.

Anchem is subject to a number of environmental regulatory agencies. These include South Coast Air Quality Management District, Environmental Protection Agency, the California Highway Patrol (hazardous material, permit inspections, etc.), the Fire Department of the City of Santa Fe Springs and others. As of the date of this report preparation, Anchem has no environmental agency actions, citations or violations. It is not clear to the appraiser whether chemical contamination if it exists, such as long-term leakage from (underground) storage tanks, is the Company's or the partnership's responsibility, or both. Chemical companies today operate in a difficult political and social environment with attendant liability exposure, business constraints and financial risks. The cost of a major chemical spill or incident could impair Anchem's financial viability. The Company has general liability insurance coverage at \$1 million per incident.

As of the summer of 1988, Anchem had 34 full-time employees versus 43 a year earlier reflecting the downsizing of the Company. The Company has also substantially reduced temporary or part-time help since the end of fiscal 1988.

Management and Stock Ownership

The Company officers as of summer 1988 were:

<u>Officer</u>	<u>Title</u>	<u>Joined Co.</u>	<u>Age</u>
John Locke	President, CEO	1971	62
Raymond Berg	Secretary/Treasurer	1971	--
John Tracy	Operations Manager	1984	43
James Froelich	Controller	1987	44

Ronald Bell, an employee since 1972, and most recently Industrial Plant Manager, resigned in October 1987. Fred Howard, Sales Manager, left Anchem in May 1988. Candi Hutton, an employee since 1977 and formerly Administrative Manager, has been transferred to sales and service.

The Board of Directors consists of John Locke, Raymond Berg, and Arnold Rosenthal. A company founder, Mr. Rosenthal sold his stock to the ESOP in 1984 and now has a consultant agreement with Anchem at \$57,500 per year through July 1989. Mr. Berg's primary employment is President of Ellis Paint Co., an important Anchem customer.

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As of April 30, 1988 there were 40,000 Class A and 14,065 Class B common shares outstanding (excluding treasury stock) as follows:

<u>Holder</u>	<u>Number of Shares</u>	
John Locke	20,000 A shares	37%
Raymond Berg	20,000 A shares	37
ESOP	<u>14,065 B shares</u>	<u>26</u>
Total	54,065 A & B shares	100%

Class A common stock is voting and Class B is nonvoting. Otherwise the two classes are equal. A valuation discount for the nonvoting Class B stock has not been taken by the prior appraiser nor by Menke & Associates since the stock is in an ESOP where voting rights are not passed through in any event except for major corporate issues.

The Industry

The November 1987 valuation study contains an industry overview which describes chemical distribution as a \$10 billion industry populated by about 1,000 companies, with much of the growth occurring at the large firms who can provide a broad level of services. Smaller distributors, such as Anchem, must cope with stricter environmental and safety regulations. Since the industry is growing at about 5% annually, Anchem, with declining sales since 1982, is losing market share in its geographic region. After several years without price relief, chemical distributors have been able to raise prices in the past year or so.

Financial Analysis and Review

Anchem has provided Menke & Associates with financial statements for the fiscal years 1984-1988. These financial statements have been thoroughly examined and discussed with management. A copy of the Company's financial statement for the fiscal year ended April 30, 1988, prepared as a compilation by Arthur Buhlman & Co., CPAs, is attached as Appendix I.

The results of our review and analysis of Anchem's financials are contained in the exhibits outlined below:

- Exhibit A -- Comparative Income Statement, FY1984-1988
- Exhibit B -- Comparative Balance Sheets, FY1984-1988
- Exhibit C -- Statement of Changes in Financial Position, FY1986-1988
- Exhibit D -- Selected Financial Ratios, FY1986-1988

These exhibits are presented at the end of this section of the report. The following comments and observations are based on Menke & Associates' review and analysis of the Company's financial statements.

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Exhibit A contains Anchem's comparative operating statement in terms of dollars and dollars as a percent of sales for the period fiscal 1984-88. Sales dropped nearly \$1.1 million or 10.3% to \$9.44 million in fiscal 1988. This is the sixth consecutive year of sales declines. From the peak year of \$16.8 million in fiscal 1982, sales have fallen an aggregate of \$7.4 million or 44% as the Company has lost several major accounts as discussed earlier, and market share. So far, the October 1986 purchase of Bortz Chemical has not halted the persistent sales erosion. Originally, management forecast that sales in fiscal 1988 would equal fiscal 1987's \$10.5 million. For fiscal 1989, management is estimating that sales will plateau at \$9.5 million.

Cost of goods sold dropped 9.6% to \$7.04 million in fiscal 1988 from \$7.8 million on lower processing volume. Gross profit dropped 12.1% to \$2.4 million in fiscal 1988 from \$2.7 million; however, gross profit margins were maintained at 25.4% versus 26.0% in fiscal 1987 and 18.3% in fiscal 1986. The Company was not as successful as originally anticipated in reducing administrative costs. Operating expenses were reduced by only 5.4% to \$2.5 million or 26.4% of sales in fiscal 1988 versus \$2.64 million or 25.1% of sales in fiscal 1987. As explained in the November 1987 valuation study, operating expenses across the board have risen sharply in the last several years in absolute and relative terms. As late as fiscal 1986, operating expenses were only 17.6% of sales.

Accordingly, for the first time Anchem had a small operating loss of \$95,000 in fiscal 1988 as compared with an operating profit of \$94,000 in the prior fiscal year.

Other income rose to \$189,000 in fiscal 1988 from \$73,000 on a \$65,000 gain on sale of assets as the Company converted some of its drum deposits into sales. Other expenses jumped to \$123,000 from \$88,000 as the Company realized a capital loss of \$47,000 on the sale of part of its Pilgrim Adjustable Rate (P.A.R.) preferred stock fund holding. Anchem sold the balance of its P.A.R. fund position in fiscal 1989 at a capital loss. Other expenses also include interest on the Bortz loan which will be paid off in the fall of 1988 and a consulting expense to former stockholder Rosenthal of \$57,500 which stops in July 1989.

The Company recorded a pretax loss of \$29,000 in fiscal 1988 versus a prior year profit of \$79,000 and net income of \$14,000 (after a tax credit of \$43,000) as compared with net profit of \$67,000 in fiscal 1987.

Exhibit B contains a comparative balance sheet for Angeles Chemical for the five years FY1984-88.

Cash and liquid investments increased to \$243,000 (7.9% of assets) from \$202,000 (6.2%) in fiscal 1987. Cash and equivalents is down, however, from the much higher range of 16-27% of assets for fiscal 1984-86. Further, at April 30, 1988 the P.A.R.

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fund investment was carried at cost of \$233,000 versus a market value of approximately \$191,000 when these holdings were sold in July 1988. Accounts receivable at \$1.2 million (39.9%) were down about \$100,000 from fiscal 1987. Inventories were down slightly from the year before at \$773,000 (25.3%). Current assets were \$2.4 million, down from \$2.53 million a year earlier.

Fixed assets at cost rose \$123,000 to \$1.7 million, primarily a result of capitalizing drums for the first time. The accumulated depreciation offset on these drums was increased on a one-time basis also. Net fixed assets dropped to \$623,000 from \$733,000 at April 30, 1987. Total assets were \$3.06 million, down just over 6% from the \$3.2 million to \$3.3 million level of the prior four years.

Current liabilities dropped \$156,000 or 14.6% year to year to \$912,000 with declines being registered in accounts payable, drum deposits (because of the forementioned partial capitalization) and the Bortz note payable. Long-term liabilities at \$13,000 represent the balance to be paid on the Bortz note. Shareholder equity rose very modestly to \$2.14 million at April 30, 1988 and stood at just under 70% of total assets, a high for at least the last five years.

Working capital at April 30, 1988 was \$1.51 million, up slightly from \$1.46 million a year earlier. As shown in Exhibit D, the current ratio has increased at April 30, 1988 to 2.65:1 from 2.3:1 in the prior two years; and the quick ratio improved somewhat to 1.61:1 from 1.42:1.

Anchem's operating results continue to deteriorate to a point of some concern in terms of long-term business viability. Notwithstanding management representations, Menke & Associates and the appraiser cannot determine whether the Company's sales and earnings are bottoming out at fiscal 1988 levels of \$9.4 million and a small pretax loss, respectively. Although corporate liquidity has dropped from several years ago, the basically long-term debt-free balance sheet with solid current financial ratios is a source of equity value and provides management with the financial resources to reverse or stabilize Anchem's operating performance.

ANGELES CHEMICAL CO.

Exhibit A

Comparative Income Statement
1984-88
(000)

Year End April 30:	<u>1988</u>		<u>1987</u>		<u>1986</u>		<u>1985</u>		<u>1984</u>	
Sales	\$9,442	100.0%	\$10,521	100.0%	\$12,129	100.0%	\$13,520	100.0%	\$14,455	100.0%
Cost of Sales	7,040	74.6	7,787	74.0	9,909	81.7	11,296	82.2	12,397	85.8
Gross Profit	2,402	25.4	2,734	26.0	2,219	18.3	2,224	6.2	2,058	14.2
Operating Expenses	2,497	26.4	2,640	25.1	2,136	17.6	1,994	14.5	1,948	13.5
Operating Income	(95)	(1.0)	94	.9	83	.7	230	1.7	110	.8
Other Income	189	2.0	73	.7	180	1.5	224	1.6	163	1.1
Other Expenses	123	1.3	88	.8	48	.4	41	.3	3	—
Pretax Income	(29)	(.3)	79	.8	215	1.8	414	3.0	270	1.9
Provision for Taxes	43	.5	(12)	(.1)	(75)	(.6)	(187)	(1.4)	(94)	(1.4)
Net Income	\$ <u>14</u>	.1%	\$ <u>67</u>	.6%	\$ <u>139</u>	1.2%	\$ <u>227</u>	1.6%	\$ <u>175</u>	1.2%

SOURCE: Company financial statements (Unaudited)

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ANGELES CHEMICAL COMPANY
Exhibit B
Comparative Balance Sheet
1984-88
(000)

As of April 30:	1988		1987		1986		1985		1984	
Current Assets:										
Cash & Liq. Inv.	\$ 243	7.9%	\$ 202	6.2%	\$ 905	27.5%	\$ 521	16.2%	\$ 635	19.7%
Accounts Rec.	1,222	39.9	1,323	40.5	1,288	39.2	1,591	49.6	1,660	51.6
Inventories	773	25.3	794	24.3	597	18.2	627	19.6	524	16.2
Prepaid Exp./Other	184	6.0	206	6.3	115	3.5	62	1.9	33	1.0
Total	2,421	79.1	2,526	77.3	2,906	88.5	2,801	87.3	2,860	88.5
Fixed Assets @ Cost	1,724		1,601		1,089		1,026		914	
Accum. Depreciation	(1,101)		(868)		(719)		(629)		(553)	
Net Fixed Assets	623	20.4	733	22.4	371	11.3	397	12.4	362	11.2
Other Assets	17	.5	8	.2	8	--	8	--	8	--
Total Assets	\$3,061	100.0%	\$3,266	100.0%	\$3,285	100.0%	\$3,207	100.0%	\$3,230	100.0%
Current Liabilities:										
Accounts Payable	\$ 570	18.6%	\$ 609	18.6%	\$1,119	34.1%	\$1,120	34.9%	\$1,007	31.2%
Deposits	142	4.6	198	5.8	159	4.8	143	4.4	112	3.5
Note Payable-Bortz	83	2.7	193	5.9	--	--	--	--	--	--
Accrued Expenses	116	3.8	68	2.1	49	1.5	69	2.2	303	9.3
Inc. Tax Payable	--	--	--	--	(87)	(2.6)	92	2.9	(53)	(1.6)
Total	912	29.8	1,068	32.7	1,240	37.7	1,424	44.4	1,370	42.4
L/T Liabilities	13	.4	76	2.3	--	--	--	--	--	--
Shareholder Equity	2,136	69.9	2,122	65.0	2,046	62.3	1,782	55.6	1,854	57.4
Total Liabilities and Equity	\$3,061	100.0%	\$3,266	100.0%	\$3,286	100.0%	\$3,207	100.0%	\$3,230	100.0%

SOURCE: Company financial statements (unaudited).

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ANGELES CHEMICAL COMPANY
Exhibit C
Statement of Changes in Financial Position
FY1986-88
(000)

Year End April 30:	<u>1988</u>	<u>1987</u>	<u>1986</u>
Source of Funds:			
Net Income	\$ 14	\$ 67	\$139
Item not Requiring Working Capital:			
Depreciation	419*	157	98
Other Sources:			
Tax Refunds	--	--	7
Sale of Assets	1	8	10
Increase in Long-Term Debt	<u>(2)</u>	<u>162</u>	<u>--</u>
Total Source of Funds	<u>433</u>	<u>395</u>	<u>255</u>
Application of Funds:			
Decrease in Long-Term Debt	61	87	--
Purchase of Assets	310	522	82
Deposit Decrease	10	--	--
Paid-In Capital	<u>--</u>	<u>--</u>	<u>113</u>
Total Application of Funds	<u>381</u>	<u>608</u>	<u>31</u>
Increase (Decrease) in Working Capital	<u>\$ 52</u>	<u>\$(213)</u>	<u>\$286</u>
Changes in Working Capital - Increase (Decrease)			
Cash	\$ 40	\$(681)	\$369
Accounts Receivable	(99)	12	(286)
Inventories	(21)	197	(30)
Prepaid Expenses	(26)	91	92
Accounts Payable	38	509	3
Accrued Payroll	12	(19)	(1)
Payroll & Sales Tax Payable	(35)	1	(4)
Income Taxes Payable	--	(94)	180
Drug Deposits	46	(36)	(12)
Customer Deposits	10	(3)	(4)
Employee Benefit & Welfare	(1)	(1)	--
Loans/Notes Payable	101	(193)	--
Accrued Profit Sharing	--	3	25
Other	<u>13</u>	<u>--</u>	<u>--</u>
Increase (Decrease) in Working Capital	<u>\$ 52</u>	<u>\$(213)</u>	<u>\$286</u>

* Depreciation source in fiscal 1888 is higher than operating depreciation because of capitalization of drums.

SOURCE: Company financial statements (unaudited).

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ANGELES CHEMICAL CO.

Exhibit D

Selected Ratio Analysis
FY1986-88

	FY April 30:	<u>1988</u>	<u>1987</u>	<u>1986</u>
<u>Liquidity Ratios</u>				
Current (Current Assets divided by Current Liabilities)		2.65	2.36	2.34
Quick (Cash & Accounts Receivable divided by Current Liabilities)		1.61	1.42	1.77
Sales/Receivables (Sales divided by Accounts Receivable)		7.73	7.98	9.42
Sales/Working Capital (Sales divided by Working Capital)		6.3	7.2	7.3
Cost of Goods Sold/Inventories (Cost of Goods Sold divided by Inventories)		9.1	9.8	16.6
<u>Coverage Ratio</u>				
EBIT/Interest (Earnings before Interest and Tax divided by Interest Expense)		Neg.	5.2	NA
Cash Flow/Maturity LTD (Net Income + Depreciation Expenses divided by Current Portion of Long Term Debt)		2.5	1.2	NA

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Exhibit D (cont.)

	FY April 30:	<u>1988</u>	<u>1987</u>	<u>1986</u>
<u>Leverage Ratios</u>				
Debt/Worth (Total Liabilities divided by Net Worth)		0.43	0.54	0.61
Long-Term Liabilities/Worth (Liabilities over one year divided by Net Worth)		Nom.	0.04	NA
<u>Operating Ratios</u>				
Percent Profit before Taxes/ Net Worth (Pretax Profit divided by Assets less Liabilities)		Neg.	3.7%	10.5%
Total Asset Turnover (Sales divided by Average Total Assets)		2.98	3.21	3.74
Return on Equity (Net Income divided by Average Stockholders' Equity)		Nom.	3.2%	7.3%
Return on Assets (Net Income divided by Average Stockholders' Equity)		Nom.	2.0%	4.3%

NA = Not applicable

Neg. = Negative calculation

Nom. = Nominal

IV. VALUATION

In arriving at a value determination for Angeles Chemical, Co. Menke & Associates has considered all relevant factors under Revenue Ruling 59-60 with respect to the valuation of closely held companies. The following comments represent our findings with respect to those specific factors outlined in Revenue Ruling 59-60 as they pertain to the valuation of a closely held company such as Anchem.

Book Value

Anchem's stated book value was \$2,136,098 as of April 30, 1988.

Normally, book value or adjusted book value is not afforded much weight or consideration in the valuation of an operating company such as Anchem. Such type companies are normally valued on earnings and/or cash flow capacity. Because of depressed operating results, Menke & Associates chose to use book value as fair market value for ESOP purposes as of April 30, 1987 and is using it as a valuation reference as of April 30, 1988.

Dividend History, Capacity and Probability

Revenue Ruling 59-60 suggests that the appraiser consider dividends and dividend paying capacity in valuing closely held securities.

The Company has not paid any dividends on its common stock and has no intention of changing this policy at this time. This policy is quite appropriate for a small, private company which is owned by shareholders who neither rely upon nor expect dividend income.

Normally, earnings reinvested in the growth of the Company can be expected to earn at a greater return than dividend income invested in other investment opportunities with similar risks and prospects. Consequently, shareholders will ultimately benefit from the current policy to reinvest earnings in the Company's growth rather than to pay cash dividends.

The capacity to declare and pay cash dividends is a positive consideration. The decision not to pay dividends is not a negative consideration.

Comparable Companies -- Publicly Traded

Revenue Ruling 59-60 suggests that the appraiser consider the market price of stocks of corporations engaged in the same or a similar line of business having their stock actively traded in a free and open market or over the counter. Menke & Associates has made an exhaustive search for comparable public companies which can be deemed to be similar to Anchem. No single company proved to be a worthy publicly traded comparable. Publicly traded

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companies are generally much larger and more diverse both geographically and in business operations.

One such large public company is Univar Corp. As reviewed in the November 1987 study, Univar is the largest U.S. chemical distributor with fiscal 1988 revenues of \$1.1 billion. Van Water & Rogers, a Univar division, is a direct Anchem competitor. Univar's net income per share was \$1.27 and cash flow (net income plus depreciation) was \$2.87 for the fiscal year ended February 29, 1988. Univar's current ratio as of that date was 1.4:1; debt to equity was 1.2:1 and book value was \$11.80 per share. Return on sales and equity were 1.0% and 12.3% respectively. As of April 30, 1988, Univar common was trading at \$17-3/4 or 1.5X book value, 14.0X earnings, 6.2X cash flow and 14% of revenues.

Normally, Menke & Associates would select a capitalization rate or Price/Earnings ratio by reference to P/E ratios for market indices such as the Dow Jones Industrials, Standard & Poor's 400 and Moody's Chemical Industry composite. Since a capitalization of earnings methodology is not now being employed, such a reference is not appropriate. Univar's market capitalization rates may be broadly referenced in the future although Univar is a substantially larger and much more geographic, customer and product diverse company.

Cash Flow and Earnings Capacity

The prior ESOP valuations by Charles Stark, PC, appear to rely on conclusions derived from capitalizing five year average of net income, aftertax cash flow and pretax available cash flow, among other methods. Aftertax cash flow is net income plus depreciation or total source of funds. Available cash flow before taxes is pretax income plus profit share/ESOP contribution plus depreciation. Anchem's earnings and cash flow as just defined for FY1988 and its recent three-year average is shown below:

<u>Period</u>	<u>Net Income</u>	<u>Cash Flow</u>	
		<u>Available</u>	<u>After Tax</u>
FY1988	\$14,000	\$171,000	\$208,000
FY1986-88 Avg.	73,000	295,000	226,000

NOTE: Figures have been rounded

In a cyclical industry such as chemical distribution, it is normally appropriate to use five-year averages for valuation purposes as was done in the past. However, Anchem's steady decline in sales and profits indicates an alteration in the Company's basic operating circumstances. Consequently, the employment of historic five-year averages is not indicative of the Company's current and future income and cash flow. The appraiser therefore did not use these longer term averages and feels that a three-year average also may not be indicative.

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It is important to note that 1988's net income and aftertax cash flow reflect a very small ESOP contribution, while there were sizable ESOP contributions of \$92,000 (stock) and \$66,000 in fiscal years 1986 and 1987, respectively. Also, John Locke "deferred" on a nonaccrued basis \$25,000 of his 1988 bonus.

As discussed earlier, management is suggesting fiscal 1989 sales of \$9.6 million and modest earnings before taxes and ESOP contribution and with officer bonuses at the 1987 level of \$145,000. If this occurs, Anchem would have available cash flow, as defined above, of about \$200,000, which after the final payment on the Bortz note can be used to maintain corporate liquidity and for capital improvements which in a shrinking business may not be significant. Approximately \$58,000 of cash will be freed up by July 1989 when the Rosenthal consulting agreement terminates.

Valuation

Because of insufficient demonstrable earning power and moderate cash flow prospects, Menke & Associates and the appraiser once again must look to the balance sheet for valuation purposes as in fiscal 1987 when we employed book value for fair market value. For the instant valuation, the appraiser believes the stated book value of \$2.14 million should be discounted 10% or \$214,000 to reflect the overstatement as of April 30, 1988 of the "cash" account and the opinion supported by management that fixed assets would be liquidated at below book or carrying value.

Since management has not provided Menke & Associates with specific current estimates of plant and equipment market value, the appraiser's 10% discount to an adjusted value of \$1,922,000 is somewhat judgmental. At the valuation date, Anchem was essentially long-term debt free and working capital was \$1.5 million.

Subtracting working capital of \$1.51 million from the adjusted book value suggests the plant and equipment may be worth in an orderly liquidation \$413,000. This figure or part of it could also represent business goodwill and going concern value although economic worth of these elements, which Menke & Associates has not attempted to otherwise quantify, is shrinking as the Company loses customers.

The indicated fair market value of \$1,922,000 is 11.2X FY1988 available cash flow (CF) and 9.2X aftertax CF. It is also 6.5X average fiscal 1986-88 available CF and 8.5X aftertax CF for 1986-88 average. While these capitalization rates are generally high, they do provide some support to the value conclusion.

Generally, capitalization of income and cash flow streams is the appropriate methodology for determining the equity fair market value of an operating company such as Anchem. The decision to primarily utilize book value is based on the factors discussed and Menke & Associates and the appraiser's experience and knowledge in deriving equity values of closely held companies.

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As of the ESOP plan year, which began May 1, 1987, the ESOP Committee changed its policy of paying terminated plan participants in a lump sum to paying participants terminated for reasons other than retirement at age 65 in five annual pay-outs commencing on the first anniversary of termination. Terminated plan participants sell 20% of their stock in each of five years at the fair market value applicable for each year. Accordingly, the above derived value is discounted for restricted marketability by 10% or \$192,000 to produce a fair market value for ESOP purposes of \$1,730,000 or \$32.00 a share on 54,065 A and B shares outstanding.

It should be noted that the fair market value has thus been reduced by one-third (33.5%) from the aggregate ESOP valuation of \$2.6 million as of April 30, 1986, which decline recognizes the subsequent two-year deterioration in the Company's operating record and the deferred ESOP payout policy now being followed.

Recent Stock Sale and Valuation

Revenue Ruling 59-60 suggests that arm's-length sales to knowledgeable unrelated third parties in the recent past would be a basis for valuation.

There have been no such recent transactions.

V. CONCLUSIONS

Based on our experience and general knowledge in determining the value of closely held companies and upon the consideration of all factors previously discussed, Menke & Associates is of the opinion that the fair market value of the outstanding common stock of Angeles Chemical Co. for ESOT purposes is \$1,730,000 or \$32.00 per share as of April 30, 1988 on 54,065 A and B shares outstanding. This valuation is based on adjusted book value and a capitalization of cash flow.

Specific positive factors concerning Anchem were its positive cash flow, its still solid and long-term debt free balance sheet which may sustain the Company through this period of depressed profits, and management's apparent commitment to further reduce operating expenses.

Negative factors were six consecutive years of sales and profit decline, inadequate returns on capital and equity, uncertainty over the timing of an operating stabilization or turnaround, loss of middle management and marketing personnel, the relative erosion of corporate liquidity, and the environmental problems of the chemical industry.

It is important to point out that this evaluation is specifically intended to establish a per-share fair market value for shares to be issued or sold to the ESOT. This report does not specifically address the evaluation of the Company as an entity. The value of the Company as a whole, with the attendant rights to control the direction and growth of the Company, to influence or control compensation and dividends, to change the management, to acquire other companies and/or business operations, to buy companies or new product lines, or to sell or merge the Company, may be greater than the total value implied by this evaluation.

On the other hand, the value of minority interest shares held outside of an ESOT would probably be less than the value determined in this report. An ESOT with a "put" option obligating the Trust to repurchase the shares held by participants provides a valid market for such stock. Minority interest shares held outside of the ESOT would by necessity be discounted by more than 10% taken here for their greater inherent lack of marketability.

This valuation is as of April 30, 1988; and, since it is based upon recent financial statements, it should be valid for the near future. However, it is imperative to recognize that the dynamics of the industries served and general economic conditions can change and invalidate this evaluation. Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

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APPENDIX I

BR001837

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

626 SOUTH LAKE AVENUE - PASADENA, CALIFORNIA 91106

To the Board of Directors
Angeles Chemical Co., Inc.

We have compiled the accompanying balance sheet of Angeles Chemical Co., Inc. as of April 30, 1988 and the related statements of income and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or performed a review service on the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operation, and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Archer, Bulmahn & Co.
CERTIFIED PUBLIC ACCOUNTANTS

July 14, 1988

BR001838

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1988

ASSETS

CURRENT ASSETS

PETTY CASH	\$ 400.00
CASH IN BANK	(4,596.95)
CASH IN BANK - BORTZ	9,176.47
CASH IN MONEY MARKET	5,353.75
P.A.R. FUND	233,174.28
ACCOUNTS RECEIVABLE	\$ 1,211,445.84
ALLOW. FOR DOUBTFUL ACCTS.	(21,940.85)

NET RECEIVABLES	1,189,504.99
ACCTS. REC. - STALLION	23,614.51
ACCTS. REC. - OTHER	8,968.34
EMPLOYEE ADVANCES	2,318.51
INVENTORY - CHEMICALS	389,781.24
INVENTORY - PACKAGING	88,550.31
INVENTORY - PKG.-BORTZ	287,505.31
INVENTORY - GASOLINE	7,027.04
PREPAID INCOME TAX	55,888.00
PREPAID INTEREST	2,754.82
PREPAID PROPERTY TAXES	2,027.63
PREPAID TANK TESTING	(1,753.40)
PREPAID INSURANCE	83,023.80
PREPAID AUTO LEASE	775.00
PREPAID CONSULTANTS FEES	10,633.32
PREPAID PACKAGING	25,570.28
PREPAID EXCISE TAX - FUEL	1,002.76

TOTAL CURRENT ASSETS

\$ 2,420,700.01

FIXED ASSETS - AT COST

OFFICE TRAILER	97,811.43
TRUCKS & AUTOS	187,733.15
TANKS & PLANT EQUIPMENT	737,213.55
FURNITURE & FIXTURES	200,633.00
CONSTRUCTION IN PROCESS	15,685.78
PLANT	326,158.88
DRUMS	158,595.50

TOTAL FIXED ASSETS	1,723,833.29
LESS: ACCUMULATED DEPRECIATION	(1,101,072.96)

NET FIXED ASSETS

622,760.33

OTHER ASSETS

DEPOSITS	4,823.00
DEPOSITS - PALLETS	489.50
DEPOSITS - DRUMS	12,160.75

TOTAL OTHER ASSETS

17,473.25

TOTAL ASSETS

\$ 3,060,933.59

SEE ACCOUNTANTS COMPILATION REPORT

BR001839

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1988

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 570,396.27
ACCRUED PAYROLL	21,883.05
ACCRUED COMMISSIONS	25,977.53
ACCRUED WORKMANS COMP. INSURANCE	15,523.98
PAYROLL TAXES PAYABLE	41,885.79
SALES TAX PAYABLE	.00
INCOME TAXES PAYABLE	.00
DRUM DEPOSITS	142,103.00
EMPLOYEE BENEFIT & WELFARE	1,701.53
NOTE PAYABLE - BORTZ OIL	82,648.02
NOTES PAYABLE	9,564.72
ACCRUED PROFIT SHARING	.00

TOTAL CURRENT LIABILITIES

\$ 911,683.89

LONG TERM LIABILITIES

NOTE PAYABLE	13,151.49
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TOTAL LONG TERM LIABILITIES

13,151.49

CAPITAL

CAPITAL STOCK - \$.10 PAR VALUE,	
1,000,000 SHS. AUTHORIZED,	
54,065 SHS. ISSUED & OUTSTANDING	5,406.50
PAID IN CAPITAL	105,723.80
RETAINED EARNINGS - BEGINNING	\$ 2,010,973.84
STOCK REDEEMED	.00
NET INCOME OR (LOSS)	13,994.07

RETAINED EARNINGS

2,024,967.91

TOTAL CAPITAL

2,136,098.21

TOTAL LIABILITIES & CAPITAL

\$ 3,060,933.59

ANGELES CHEMICAL CO., INC.
STATEMENT OF INCOME
UNAUDITED
YEAR ENDED APRIL 30, 1988

	CURRENT PERIOD	%	YEAR TO DATE	%
SALES	\$ 2,463,166.10	100.0	\$ 9,442,310.77	100.0
COST OF SALES	1,867,534.98	75.8	7,039,884.66	74.6
GROSS PROFIT	595,631.12	24.2	2,402,426.11	25.4
OPERATING EXPENSES				
ADMINISTRATIVE SALARIES	93,000.00	3.8	174,075.00	1.8
DIRECT WAGES	56,310.09	2.3	277,885.82	2.9
INDIRECT WAGES	13,339.37	.5	106,061.98	1.1
SALES WAGES	24,658.37	1.0	115,193.28	1.2
OFFICE WAGES	34,638.84	1.4	119,772.83	1.3
PLANT EXPENSE	10,994.03	.4	46,426.32	.5
LAB EXPENSE	932.15	.0	4,931.14	.1
TRUCK EXPENSE	24,842.03	1.0	103,589.83	1.1
AUTO & TRAVEL	10,519.35	.4	51,738.05	.5
FREIGHT-IN	9,448.15	.4	82,532.40	.9
FREIGHT OUT	37,203.70	1.5	180,898.39	1.9
DRUM MAINTENANCE	3,702.00	.2	89,483.55	.9
TANK TESTING EXPENSE	1,650.00	.1	6,600.00	.1
REPAIRS & MAINTENANCE	9,130.66	.4	28,950.00	.3
PRINTING PREP. EXPENSE	4,397.01	.2	15,939.54	.2
OUTSIDE LABOR	27,388.51	1.1	105,435.47	1.1
EQUIPMENT RENTAL	945.29	.0	10,526.56	.1
RENT	22,000.00	.9	121,000.00	1.3
OFFICE SUPPLIES	4,199.49	.2	11,086.23	.1
COMPUTER EXPENSE	3,823.43	.2	12,393.17	.1
PROFESSIONAL SERVICES	8,684.84	.4	40,862.10	.4
TAXES & LICENSES	3,967.16	.2	15,950.10	.2
PAYROLL TAXES	19,513.75	.8	60,875.91	.6
BUSINESS PROMOTION	10,751.72	.4	35,576.42	.4
ADVERTISING	2,664.36	.1	18,346.79	.2
COMMISSIONS	74,974.48	3.0	75,146.01	.8
POSTAGE	1,372.23	.1	3,870.49	.0
COMMISSIONS-BORTZ	27,521.50	1.1	125,073.41	1.3
DIRECTORS FEES	2,250.00	.1	9,000.00	.1
DONATIONS	.00	.0	529.44	.0
CASUALTY INSURANCE	25,577.38	1.0	89,354.38	.9
WORKMENS COMP. INSURANCE	2,836.25	.1	25,514.21	.3
GROUP INSURANCE	20,256.24	.8	73,853.82	.8
DUES & SUBSCRIPTIONS	1,042.31	.0	3,784.38	.0

SEE ACCOUNTANTS COMPILATION REPORT

BR001841

ANGELES CHEMICAL CO., INC.
STATEMENT OF INCOME
UNAUDITED
YEAR ENDED APRIL 30, 1988

	CURRENT PERIOD	%	YEAR TO DATE	%
OPERATING EXPENSES-(CONT'D)				
UTILITIES	\$ 4,331.44	.2	\$ 17,792.63	.2
TELEPHONE	7,767.84	.3	30,001.77	.3
DEPRECIATION	57,710.05	2.3	193,776.60	2.1
EMPLOYEE WELFARE	2,050.64	.1	7,959.78	.1
UNIFORM EXPENSE	1,053.71	.0	5,398.29	.1
BAD DEBTS	2,281.20	.1	(6,226.38)	(.1)
PROFIT SHARING EXPENSE	6,495.19	.3	6,495.19	.1
	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	676,224.78	27.5	2,497,454.90	26.4
	-----	-----	-----	-----
OPERATING INCOME OR (LOSS)	(80,593.66)	(3.3)	(95,028.79)	(1.0)
	-----	-----	-----	-----
OTHER INCOME				
DISCOUNTS EARNED	1,283.78	.1	6,937.20	.1
DEMURRAGE	712.50	.0	5,387.16	.1
SALE OF ASSETS	65,780.31	2.7	64,850.75	.7
INTEREST INCOME	1,232.99	.1	5,266.49	.1
DIVIDEND INCOME	9,043.40	.4	33,258.32	.4
MISCELLANEOUS INCOME	3,589.43	.1	73,418.93	.8
	-----	-----	-----	-----
	81,642.41	3.3	189,118.85	2.0
	-----	-----	-----	-----
OTHER EXPENSE				
INTEREST EXPENSE	3,697.03	.2	18,724.59	.2
CONSULTANT EXPENSE	14,375.01	.6	57,500.00	.6
LOSS ON SALE OF ASSETS	46,959.40	1.9	46,959.40	.5
	-----	-----	-----	-----
	65,031.44	2.6	123,183.99	1.3
	-----	-----	-----	-----
NET INCOME OR (LOSS) BEFORE TAXES	(63,982.69)	(2.6)	(29,093.93)	(.3)
	-----	-----	-----	-----
PROVISION FOR TAXES	51,647.00	2.1	43,088.00	.5
	-----	-----	-----	-----
NET INCOME OR (LOSS)	\$(12,335.69)	(.5)	\$ 13,994.07	.1
	=====	=====	=====	=====

SEE ACCOUNTANTS COMPILATION REPORT

BR001842

ANGELES CHEMICAL CO., INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
UNAUDITED
YEAR ENDED APRIL 30, 1988

	CURRENT PERIOD	YEAR TO DATE
SOURCE OF FUNDS		
NET INCOME	\$(12,335.69)	\$ 13,994.07
ITEMS NOT REQUIRING WORKING CAPITAL:		
DEPRECIATION	90,579.13	418,642.68
OTHER SOURCES		
DRUM DEPOSITS	.00	100.00
SALE OF ASSETS	4,650.61	1,466.22
INCREASE IN LONG-TERM DEBT	.00	(1,594.12)
	-----	-----
TOTAL SOURCE OF FUNDS	82,894.05	432,608.85
	-----	-----
APPLICATION OF FUNDS		
DECREASE IN LONG-TERM DEBT	1,992.65	61,142.62
PURCHASE OF ASSETS	34,289.80	310,222.14
INCREASE IN DEPOSITS	9,580.00	9,629.50
	-----	-----
TOTAL APPLICATION OF FUNDS	45,862.45	380,994.26
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 37,031.60	\$ 51,614.59
	=====	=====
CHANGES IN WORKING CAPITAL-		
INCREASE OR (DECREASE)		
CASH	\$(283,048.86)	\$ 40,359.77
ACCOUNTS RECEIVABLE	239,375.29	(99,297.55)
EMPLOYEE ADVANCES	1,343.51	2,032.01
INVENTORIES	108,403.58	(21,445.47)
PREPAID EXPENSES	2,651.15	(26,727.13)
ACCOUNTS PAYABLE	(117,796.56)	38,578.74
ACCRUED PAYROLL	(17,304.61)	12,284.15
ACCRUED EXPENSES	(5,836.28)	(15,523.98)
PAYROLL & SALES TAX PAYABLE	(36,916.92)	(34,746.50)
INCOME TAXES PAYABLE	8,559.00	.00
DRUM DEPOSITS	95,922.00	45,867.00
CUSTOMER DEPOSITS	.00	10,118.00
EMPLOYEE BENEFIT & WELFARE	(98.11)	(960.15)
LOANS PAYABLE	48,126.77	110,640.42
NOTES PAYABLE	.00	(9,564.72)
ACCRUED PROFIT SHARING	(6,348.36)	.00
	-----	-----
INCREASE OR (DECREASE) IN WORKING CAPITAL	\$ 37,031.60	\$ 51,614.59
	=====	=====

SEE ACCOUNTANTS COMPILATION REPORT

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Menke & Associates, Inc.

APPENDIX II

Menke & Associates, Inc.

QUALIFICATIONS OF MENKE & ASSOCIATES, INC.
APPRAISAL SERVICES STAFF

Eric M. Bramstedt

Eric Bramstedt has nearly 25 years experience in the field of financial analysis, equity evaluations, securities analysis and investment banking. He has prepared well over 100 business valuations on closely held companies for merger and acquisition, gift and estate taxes, Employee Stock Ownership Plans (ESOPs), incentive stock option plans and others. These valuations covered a broad industry scope of closely held and public companies including several Fortune 1000 listings. Mr. Bramstedt possesses in-depth knowledge of ESOP functions and valuations through seven years of extensive experience with two leading ESOP design and valuation firms -- Kelso & Co. and Houlihan, Lokey, Howard & Zukin.

Mr. Bramstedt holds a bachelors degree in Economics from Stanford University and is a Chartered Financial Analyst (CFA). His professional affiliations include membership in the Security Analysts of San Francisco, the Financial Analysts Federation, and the Valuation Roundtable of San Francisco.

Bryant J. Brooks

Bryant J. Brooks has an extensive background in corporate finance, venture capital, investment banking, and mergers and acquisitions. Mr. Brooks was President of Bay Equities, a venture capital firm, from 1972 to 1974. From 1968 to 1972, Mr. Brooks was President of Boothe Computer Investment Corporation, also a venture capital firm. Prior to that, Mr. Brooks was Vice President and Treasurer of Continental Capital Corporation, a publicly held Small Business Investment Company.

Since 1975, Mr. Brooks has prepared evaluation reports for a wide range of small and large companies. The clients represent a variety of manufacturing, distribution and service organizations -- including a number of high-technology companies.

During 1982, Mr. Brooks served for nine months as pre-term President of a publicly held savings and loan holding company.

Mr. Brooks also teaches graduate level finance courses at Golden Gate University in San Francisco.

Mr. Brooks was graduated Phi Beta Kappa from Yale University in 1950, receiving a B.A. degree in Economics. He received an M.B.A., with Distinction, from Harvard University in 1955.

Menke & Associates, Inc.

Raymond G. Hogue

Raymond G. Hogue is an experienced financial analyst who has been a member of the business valuation staff of Menke & Associates since 1982. Mr. Hogue has a broad background in the analysis and valuation of various sizes and types of businesses. Prior to joining Menke & Associates, Inc., he served as the accounting and financial manager for a contract software development company.

Mr. Hogue graduated with honors from San Jose State University, receiving a B.S. degree in finance. In addition, he was chosen as the outstanding graduate of the San Jose State University School of Business.

Robert M. Ireland

Robert M. Ireland has an extensive background in securities valuation, corporate finance and venture capital. Prior to joining Menke & Associates, Mr. Ireland was a Vice President and General Partner of Kelso & Company, Inc., an investment banking firm which specializes in Employee Stock Ownership Plan (ESOP) financing techniques. Mr. Ireland is an experienced professional in securities valuation, in the financial design of Employee Stock Ownership Plans (ESOPs), and in the planning, design, structuring and implementation of leveraged buyouts.

Prior to his association with Menke & Associates and Kelso & Company, Mr. Ireland was a consultant to Transamerica Corporation and Memorex Corporation in the areas of corporate finance and capital markets during their computer industry antitrust litigation. From 1970 to 1974, Mr. Ireland was a Security Analyst at BA Investment Management Corporation, a subsidiary of Bank of America NT&SA. He is a member of the Financial Analysts Federation, the Security Analysts of San Francisco, and the American Management Association.

Mr. Ireland graduated from Stanford University with an A.B. in Economics in 1965. He received his M.B.A. in Finance from the University of California at Los Angeles in 1967, followed by two years of service in the U.S. Army as a Contracting Officer at the U.S. Army Electronics Command in Ft. Monmouth, New Jersey, and the Republic of Vietnam.

Everett A. Mathews

Everett A. Mathews graduated from the University of California, Berkeley, with a B.S. degree in Finance. Prior to 1971 he was employed as a commercial loan officer by Security Pacific National Bank in their San Francisco Main Office with responsibility for lending to businesses. Since 1971 he has specialized in financial analysis and the valuation of closely held businesses.

Menko & Associates, Inc.

Corporate Financial Consultants

Livingston, New Jersey

*111 Second Street
San Francisco, California 94105
(415) 543-3000*

VALUATION
of the
COMMON STOCK
of

ANGELES CHEMICAL CO.

as of
April 30, 1987

Prepared by:
ERIC M. BRAMSTEDT, CFA
November 1987

BR001847

Menke & Associates, Inc.

Corporate Financial Consultants

Livingston, New Jersey

111 Second Street

San Francisco, California 94105

(415) 543-3000

November 15, 1987

CONFIDENTIAL

Board of Directors
Angeles Chemical Co.
P.O. Box 2163
Santa Fe Springs, California 90670

Gentlemen:

You have requested we establish the fair market value of the common stock of Angeles Chemical Co. for Employee Stock Ownership Trust (ESOT) purposes as of April 30, 1987.

Our evaluation places a fair market value of \$39.25 a share on the 54,065 Class A and B common shares outstanding as of April 30, 1987. This evaluation is equivalent to the Company's stated book value as of that date. The valuation conclusion was originally transmitted to you by letter on September 11, 1987.

This valuation determination is based on facts and events existing in the Spring of 1987 at the Company, in the chemical distribution industry, the general economy and the equity and financial markets. Accordingly, it is not appropriate to reflect any possible impact on the Company's business or the valuation conclusion from the historic stock market drop in mid-October 1987.

As just suggested, earnings prospects can change, as can the general economic climate. Federal regulations require that the Company's common stock be reevaluated in any subsequent year in which ESOT transactions are contemplated.

Very truly yours,

MENKE & ASSOCIATES, INC.

Eric M. Bramstedt

Eric M. Bramstedt

EMB:ew

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Menke & Associates, Inc.

I. INTRODUCTION

Angeles Chemical Co. (Anchem or the "Company") has requested Menke & Associates render its opinion as to the fair market value of the Company's common stock in connection with transactions involving the Company's Employee Stock Ownership Trust (ESOT). This valuation is based on financial data provided us for the five years end April 30, 1987 and is equivalent to Anchem's stated book value as of that date. This methodology is employed because the Company's currently depressed earnings level makes it difficult to ascertain representative earnings for purposes of applying a capitalization of earnings approach.

In that regard, Menke & Associates places a fair market value as of April 30, 1987 of \$2,122,104 or \$39.25 per share on 54,065 Class A and B common shares outstanding as of that date.

Anchem is a closely held corporation with no present market for its common stock. It is a regional Southern California liquid chemical distributor whose products are primarily used in industrial and commercial coating applications. Sales in fiscal 1987 were \$10.5 mil. where they may be stabilizing after a five year decline. Anchem is profitable with a strong balance sheet.

Scope of the Valuation Study

The purpose of this valuation study is to determine the fair market value of a minority interest in the common stock of Anchem as of April 30, 1987 for transactions involving the Company's Employee Stock Ownership Plan.

In performing this valuation study, a variety of data and assumptions were used. The financial information on past performance was gathered from the financial statements of Anchem as prepared by its accounting firm for the past five years. We have included in Appendix I a copy of Anchem's most recent financial statement, for the year ended April 30, 1987.

Projections of expected future financial performance through 1988 were provided by management. The appraiser visited the Company's facilities in Santa Fe Springs, California. Interviews were held with members of management and with certain outside sources with regard to the chemical distribution industry and Anchem's relative position within the industry.

In ascertaining the value of the Company, published data on publicly traded companies was utilized in an effort to find comparable companies. There were no companies which were found to be directly comparable.

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Prior ESOP Valuations

Anchem's ESOP was established during fiscal year 1984 as a conversion from pre-existing profit sharing plan. Previous ESOP valuations were prepared by Charles B. Stock, Jr. PC as follows:

<u>Rate</u>	<u>Fair Market Value</u>		<u>Number of A&B Shares</u>
	<u>Aggregate</u>	<u>Per Share</u>	
April 30, 1986	\$2,600,000	\$ 48.20	54,209
April 30, 1985	2,500,000	48.20	51,867
January 1, 1984	2,250,000	3,750.00	600

Limitations of this Valuation

In preparing this valuation, Menke & Associates relied upon and assumed the accuracy and completeness of all financial, statistical and other information provided by Anchem. Menke & Associates also considered information based upon other publicly available sources which it believes to be reliable, however Menke & Associates and the appraiser do not guarantee the accuracy and completeness of such information and did not independently verify the financial statements and other information. The appraiser is not aware of material omissions or understatements which would affect values contained in this report. The fair market value arrived at herein represents the appraiser's considered opinion based upon the facts and information presented to him. No legal opinion is expressed by this report and its accompanying documents.

This appraisal is intended for the purpose(s) stated herein. Any other application by the Company, its shareholders and others may not be applicable.

Neither the appraiser nor Menke & Associates, Inc. has any present financial interest in Anchem, and the fee for this valuation is not contingent upon the values determined. The qualifications of Menke & Associates to undertake this valuation are summarized in Appendix II.

II. VALUATION PROCESS

The stock in this valuation has been evaluated based upon:
(1) the pertinent principles, regulations and guidelines of the Internal Revenue Service; (2) analysis of the Company's financial statements; (3) thorough discussions with management; and
(4) analysis of relevant industry conditions and other factors.

Definitions

The following terms will recur throughout the valuation and should be understood by the following definitions, except as otherwise noted:

Fair Market Value -- The Internal Revenue Service has defined "fair market value" in Revenue Ruling 59-60, issued in March 1959, as:

"...the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Court decisions frequently state, in addition, that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and be well informed about the property and concerning the market for such property."

This definition is widely accepted and used in courts of law and in tax literature and is the most widely used approach in valuing closely held securities. It is the basic definition upon which we have relied in determining the fair market value of the Company's stock. Revenue Ruling 59-60 was issued for estate valuation purposes, but is not limited to that use. It serves as a guide in virtually all valuation situations requiring the determination of fair market value.

Pretax and Pre-Contribution Earnings -- Pretax earnings refer to earnings or income before federal, state and local income taxes. Pre-contribution earnings refer to pretax earnings before discretionary employee benefit plan contributions.

ESOP -- Employee Stock Ownership Plan and ESOT -- Employee Stock Ownership Trust refer essentially to the same entity and for purposes of this valuation can be considered interchangeable.

IRS Guidelines

In general, a company whose securities are traded in volume by informed persons in a free and active market has its fair market value determined continuously. The prices at which the securities of such a company trade are a reflection of the collective opinion of the investing public as to what the future prospects of the company are at that point of time. However, when a stock is traded infrequently, or is traded in an erratic market, or is closely held, such as in the case of Anchem, some other measure of value must be found.

The Internal Revenue Code of 1954, Section 2031(b), specifies that the value of stocks and securities of corporations not listed on an exchange or freely traded "...shall be determined by taking into consideration, in addition to all other factors, the value of stock or securities of corporations engaged in the same or a similar line of business which are listed on an exchange."

Revenue Ruling 59-60, issued in March 1959 for estate valuation purposes and extended to include the determination of fair market value of closely held businesses for income and other tax purposes by Revenue Ruling 65-193, further develops a set of eight criteria which, while not all-inclusive, are fundamental to the appraisal of the fair market value of closely held companies. They include:

History of the Company and Nature of Its Business -- The determination of the degree of risk of a company in relation to other companies in its industry requires a review of past trends and the subject company's stability or instability in the marketplace. Depth and longevity of management, secondary management strength, and turnover of the labor force are important. The condition of the company's facility, trends in its industry, etc. also help to determine the degree of risk.

Economic Outlook in General and Condition and Outlook of the Industry in Particular -- Economic conditions in the trading arena in which the company operates are of primary importance, but nationwide economic trends, and in some instances international economics, may have favorable or adverse effects on an industry or a company. The intermediate and long-term future of the industry and the company's competitive position in the industry have an important effect on the value of the company. A valuation would be incomplete without a careful analysis of the economic climate in which the company must perform.

Book Value of the Stock and Financial Condition of the Business -- Any company must be financially structured to respond to the opportunities available to it or meet with failure. Inadequate capitalization, overpowering debt, inefficient operations, inadequate expense control, and many

Menko & Associates, Inc.

other negative factors can defeat the effectiveness of the company in its industry. A study of capital and operating ratios and their relationship to comparable companies is a necessary part of the valuation process. Although "Book Net Worth" or "Book Value" in inflationary times has little effect upon the determination of fair market value, since many assets are often worth more than stated book value, book value does establish a base from which adjusted values can be calculated.

Earnings Capacity of the Company -- Simplified, "the value of a company to any acquirer is the future stream of earnings which he may expect to receive from the company." A review of the past is a foundation for future expectations. Further, the Appraiser must review the past to search for extraordinary events which give rise to over and understatement of past earnings. Primary emphasis should be given to the most recently experienced earnings.

Dividend Paying Capacity -- The ability to pay dividends must be examined; whether dividends are paid by closely held companies is not important. Tax laws discourage dividend payments by private companies, but dividend capacity is evidenced by excess liquidity, relatively high levels of executive salaries, bonuses to shareholder-employees, and other generous employee benefits.

Whether or Not the Enterprise Has Goodwill or Other Intangible Assets -- Reference is not made to the accounting definition of goodwill. A record of profitable operations in a trading arena, the reputation of the enterprise, the ownership of patents or trademarks, and the prestige of the firm better define goodwill. In the selection of Capitalization Rates, Discount Rates and Price/Earnings Ratios, the Appraiser should reflect the existence of goodwill, "negative goodwill" and other intangibles.

Sales of Stock and Size of the Block of Stock to be Valued -- The relationship of the parties to a transaction may be more important than the price at which the shares are traded. Arm's-length sales to knowledgeable, unrelated third parties in the recent past would be a basis for valuation. The Appraiser should discount private transactions, and transactions controlled by restrictions such as those contained in buy-sell agreements, unless there is evidence of independent third party negotiations. Discounts for minority blocks and premiums for control blocks of stock should be applied depending on the size of the block involved.

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The Market Price of Stocks of Corporations Engaged in the Same or a Similar Line of Business Having Their Stocks Actively Traded in a Free and Open Market or Over the Counter -- Revenue Ruling 59-60 emphasizes that the stocks or securities of public companies used as market comparables be "actively traded to the public." Therefore, the Appraiser should look for comparable companies first on the New York Stock Exchange, second on the American Exchange, and, finally, on the Over-the-Counter Market. Basis for comparability would be provided by product mix, similarity of market, sales trends, and operating and financial ratios. Industry statistics, where applicable, are also helpful to the Appraiser.

The Effect of ESOP Contributions on Fair Market Value

Anchem's ESOP was established during fiscal (April) 1984. The Company made a \$65,000 cash contribution in fiscal 1987. Prior annual contributions were in Class B common stock.

The implementation of an Employee Stock Ownership Plan may have a material effect on the profitability and cash flows of a business enterprise. The effect on profitability and cash flows can, as a consequence, directly impact the fair market value of the business enterprise. The degree of effect depends on how the ESOP is used and can vary by changing the amount and/or nature of the annual contribution itself.

In general, cash contributions to the ESOP which are made for the purpose of buying existing stock or for investing in non-employer securities will have a negative impact on a company in terms of earnings, book value and cash flows, all other things being equal. This effect is temporary, however, and applies only to those years in which such transactions take place. It would therefore not be reasonable to deduct dollar-for-dollar from earnings or earnings capacity those amounts used to purchase existing stock for the ESOP when using an earnings capitalization approach. To do so would unduly, and only temporarily, depress the stock price until the final purchase took place. A more appropriate approach, which considers the long-term nature of ESOP stock ownership, is to use pre-contribution earnings as a base for capitalization and make an allowance in the capitalization rate for the temporary cash flow effects of the stock purchase.

On the other hand, stock contributions or cash contributions which are used to purchase new stock have the effect of initially reducing reported earnings by the aftertax amount of the contribution, all other things equal, while at the same time increasing cash flows and book value. The real advantages of this type of transaction are its tax savings and capital generating effects. Money which would otherwise go to the government as tax dollars is channeled back into the company itself in the form of new capital, thereby further strengthening the company's balance

Menke & Associates, Inc.

sheet and capital position. This cannot help but have a positive effect upon the longer term fair market value of the company.

There is an additional point which the appraiser must consider in determining the fair market value of a company with an ESOP, and that is: how has the company provided for emerging liability created by the ESOP itself? At the appropriate point in time, the company or the ESOP must be in a position to redeem shares of stock beneficially owned by the employees who have received the shares by virtue of retirement, death, disability or termination. There are ways in which plans can be adequately protected for these occurrences. Suffice it to say, the appraiser should consider this potential liability as he would consider the effect of a potential unfunded pension liability.

Comparability in Accounting Methods

The accounting profession allows a number of alternative accounting treatments in areas such as inventory and depreciation accounting. Depending upon the particular accounting method utilized, reported earnings may differ materially within a given year. These accounting treatments, which are permitted under Generally Accepted Accounting Principles (GAAP), are usually one-time decisions. Once a company has opted for a particular accounting treatment it cannot change between various accounting alternatives year after year without good cause. Because of these rules, accounting statements for a particular company are generally comparable from year to year. This comparability, however, may not exist from company to company even if they are in the same industry. This is especially true if one is comparing a "public" company with a "closely held" company.

In general, it is the goal of public companies to maximize reported earnings. This is because the value of a public company's stock tends to reflect the trend in reported earnings. Obviously, the degree of sensitivity of stock values to reported earnings is tempered by expected growth, economic and market conditions and other variables. Public companies tend to utilize straight line depreciation for reporting purposes and accelerated depreciation for tax purposes. This accounting treatment gives rise to higher reported earnings and "deferred income taxes payable" on the balance sheets of these companies. In addition, many public companies use FIFO inventory accounting, which generally leads to higher reported profits than other alternatives.

On the other hand, "closely held" companies do not often concern themselves with reported earnings. Their major concern is maximizing cash flows and minimizing taxes. It is not unusual to find private companies utilizing accelerated depreciation, LIFO inventory methods, and aggressive reserve accounting, which tend to minimize earnings and taxes while maximizing cash flows. Maximization of cash flows is very important to lending institutions, which are more concerned with a company's ability to

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service debt than they are in a company's ability to report earnings, since reported earnings, in and of themselves, do not necessarily reflect the ability of a company to repay its obligations. As a consequence, a company that is able to maximize its cash flows is normally in a better position to plan for its working capital needs, its capital expenditure requirements, and its long-term capital.

Discounts to Fair Market Value

The marketability of the company's stock, the control position of majority shareholders, and the relationship of these factors to the block of stock being valued can also affect the concluded value. Closely held stock, which lacks marketability, is far less attractive than a similar stock with ready access to the public marketplace. A minority stock interest in a closed corporation is usually worth much less than a proportionate share of the entity value of all the corporate stock. In valuing a block of stock, Revenue Rulings and court decisions provide a basis for concluding that a discount is valid for an absence of marketability if the value base does not already reflect the lack of marketability.

In the absence of an ESOP or adjustments to capitalization rates, discounts can range from 10% to 30% or more. When minority interest and lack of marketability discounts are both applied, they are sequential.

III. COMPANY AND INDUSTRY

The Company

Angeles Chemical is a resale/distributor of primarily liquid industrial chemicals used principally in the coating process. About 60% of sales are industrial chemicals, 35% packaging various solvents for building supply retailers and 5% packaging paint thinners for Standard Brands Paint Co.

The Company has about 150 active industrial customers and 400-500 in the packaging division, all of which are located in Southern California. Its average shipment is about \$1,000. Its biggest customers have been Standard Brands Paint Co. and Ellis Paint Co. Ellis is owned by Raymond Berg, an Anchem founder and current shareholder. Standard Brand's business dropped sharply in the first quarter (May-July, 1987) of fiscal 1988, and management has not been able to determine if this decline is temporary or permanent. Boyle-Midway (Wizard charcoal lighter) had been Anchem's biggest single customer prior to September, 1986 when the Company lost the account due to operational changes at Boyle-Midway. Anchem believes it generates its business on service and price in that order.

Anchem's principal competition in its greater Los Angeles marketing area is from much larger companies such as Ashland Chemical, Union Petrochem, Chemcentral, and Van Waters and Rogers (Univar). It also faces some competition from smaller, local distributors such as Calso, which is about one-third the Company's size. Anchem is able to get price breaks from its major suppliers to meet documented local temporary competitive situations.

In October, 1986 Anchem bought Bortz Oil Co. of Los Angeles from its owner for \$450,000 -- \$80,000 in cash and \$370,000 in a two year secured promissory note. More specifically, Anchem acquired the name, trade receivables, customer accounts and certain assets of Bortz Oil and has a three year marketing agreement with Steve Bortz, son of the seller. Bortz is a packager of thinners and finishers in small containers for the consumer/retail market. Prior to the acquisition, it was losing money on about \$3 million in sales.

Anchem's basic raw materials are these organic chemicals - propylene, methanol, toluene, xylene, ethylene glycol, acetone and isopropyl/alcohol. These are forms of petroleum distillates which are purchased from Shell, Chevron, Union Carbide, Exxon, Celanese and Vulkan Materials. The Company has on-site 32 underground storage tanks of 5,000 to 20,000 gallons capacity each and 9 above-ground tanks (old railroad tank cars of 2,000 gallons capacity each).

Angeles Chemical variously acts as an agent, distributor and manufacturer wherein it: orders from the supplier for direct

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customer shipment; stores for customers; packages; blends and packages; and acts as a terminal (unloading and distribution). Most of the Company's chemicals are shipped locally by truck although it does get some large volume shipments from the southwest and other points by rail tank car. About 20% of the Company's sales are made directly to the customer from the refinery while the rest are made from the Santa Fe Springs terminal or a recently opened warehouse in Los Angeles. Angeles Chemical is designated as a distributor under a one-year supplier contract with the refiners.

Anchem is subject to a number of environmental regulatory agencies. These include South Coast Air Quality Management District, Environmental Protection Agency, the California Highway Patrol (hazardous material, permit inspections, etc.) and the Fire Department of the City of Santa Fe Springs.

The Company has no environmental or workplace violations, citations or litigation. Anchem has a good record with workmen's comp. It has a general liability insurance policy at \$1,000,000 per loss and accident.

As of the summer of 1987, Anchem had 43 full time employees. As part of a general cost reduction program, employment had been reduced from higher levels earlier in the year. The Company also terminated temporary employees who had been retained because of the Bortz acquisition.

Angeles has an on-line computer system which provides functions from order entry and general ledger accounting to production batch mixing.

Management and Stock Ownership

The Company officers as of summer 1987 were:

<u>Officer</u>	<u>Title</u>	<u>Joined Co.</u>	<u>Age</u>
John Locke	President, CEO	1971	61
Raymond Berg	Secretary/Treasurer	1971	--
Fred Howard	Sales Manager	1985	55
John Tracy	Operations Manager	1984	42
Ronald Bell	Industrial Plant Manager	1972	40
Candi Hutton	Administration Manager	1977	38
James Froelich	Controller	1987	43

The board of directors consists of John Locke, Raymond Berg, and Arnold Rosenthal. A company founder, Mr. Rosenthal sold his stock to the ESOP in 1984 and now has a consultant agreement with Anchem. Mr. Berg's primary employment is President of Ellis Paint Co., an important Anchem customer.

As of April 30, 1987 there were 40,000 Class A and 14,065 Class B common shares outstanding (excluding 5,935 B shares in treasury) owned as follows:

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<u>Holder</u>	<u>Number of Shares</u>
John Locke	20,000 A
Raymond Berg	20,000 A
ESOP	14,065 B
Total	54,065 A and B shares

Class A common stock is voting and Class B is non voting. Otherwise the two classes are equal.

The Industry

According to information published in Chemical Week and other trade sources, there are about 1,000 chemical distributors in the U.S. with aggregate sales of \$9.8 billion in 1985. Industry sales are expected to reach \$12 billion by 1990 or an annual growth rate of just over 5% as chemical distributors increase their share of the chemical market from 20% to a forecast 30%. The four largest distributors accounting for about 25% of industry sales are:

Major Chemical Distributors

<u>Name</u>	<u>Approximate Sales</u> (Millions)
Univar	\$1,100
Ashland Chemical	760
Chemcentral	425
Union Chemical (Unocal)	300

Univar became the largest chemical distributor in November 1986 when it acquired McKesson Chemical and combined it with its Van Water & Rogers subsidiary. Univar thus holds nearly 10% of the independent distributors market, accentuating the recent consolidation trend in this business. Smaller distributors must increasingly cope with the greater administrative and economic costs (such as higher liability insurance) of complying with stricter safety and environmental controls. Large distributors can provide enhanced and broader service levels to chemical producers and capitalize on the producers' desire to reduce their own sales forces and selling costs and secure shorter delivery times to inventory sensitive customers. Much of the aggregate distributors' growth is therefore expected to occur at the major firms.

Overall chemical production dropped 0.6% to 538.6 billion pounds in 1986 from 1985; organics, however, rose 9.2% to 188.0 billion pounds. Organics have grown at an average annual rate of 2.9% in the 1976-86 period and 1.8% in the recession afflicted 1981-86 time frame. The large and mature paint industry, which is an important distributor customer segment, enjoyed a 3% shipment growth in 1986 to 967 million gallons. Industrial chemical

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prices have generally been soft in the past several years reflecting until 1987 lower oil prices among other factors.

Chemical distributors have been subject to a basic cost price squeeze with product prices declining as much as 8% a year recently. Oil feedstock products have been particularly affected. The distribution functions of sales, warehousing, packaging and shipping are labor intensive, and computerization and other forms of automation are not significant aids for productivity improvements. The labeling, record keeping, insurance and other costs of complying with the increasing safety and environmental regulations is also a cost raising element. Fundamental long-term planning has become more critical for distributors of all sizes.

Financial Analysis and Review

Angeles Chemical has provided Menke & Associates with financial statements for the six years through April 30, 1987. These documents have been thoroughly reviewed and discussed with management. A copy of the Company's most recent annual financial statement for the year ended April 30, 1987, prepared as a compilation by Arthur Buhlman & Co., CPAs, is attached as Appendix I.

The results of our review and analysis of Anchem's financial are contained in these exhibits.

- Exhibit A -- Comparative Income Statement, FY1982-1987
- Exhibit B -- Comparative Balance Sheet, FY1983-1987
- Exhibit C -- Statement of Changes in Financial Position,
FY1986-1987
- Exhibit D -- Selected Financial Ratios, FY1986-1987

The exhibits are presented at the end of this section.

The following comments and observations are based upon Menke & Associates' review and analysis of the Company's financial documents.

Exhibit A contains Anchem's comparative operating statement in terms of dollars and dollars as a percent of sales for the period 1982-1987. Fiscal year 1982 is included as this was the Company's peak sales and profit year since its founding in 1971.

From fiscal 1982 to 1987 Anchem's sales declined every year for an aggregate drop of \$6.3 million or 37.4% from \$16.8 million to \$10.5 million. In fiscal 1987 sales fell 13.3% or \$1.6 million from 1986. The fiscal 1987 sales decline can be explained partly by the loss of the Boyle-Midway account in September 1986. On an annual basis Boyle-Midway had generated \$1.9 million of sales so that the sales loss during the last seven months of fiscal 1987

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was about \$1.1 million. On the other hand, Bortz Oil was acquired in October of 1986 when its annual sales were running about \$3.2 million. Thus, the positive increment from Bortz should have been about \$1.9 million, indicating by interpolation that Anchem's other business sales may have dropped by over \$2 million.

The six year sales drop is explained by several factors, including: the general business recession in the early 1980's, product price weakness, the loss of Boyle-Midway in the fall of 1986, and an apparent overall loss of market share to the larger distributors.

Anchem's gross profit at \$2.7 million and 26.0% of revenues in fiscal 1987 was up 23.2% from \$2.2 million or 18.3% of 1986 revenues and was the best since the \$2.8 million of gross profits (16.8%) in fiscal 1982. Cost of sales dropped 20.5% or just over \$2 million to \$7.8 million in fiscal 1987 from \$9.9 million in fiscal 1986, reflecting lower oil prices.

The major problem at Anchem has been a recent acceleration in operating expenses notwithstanding revenue declines. In fiscal years 1983 and 1984, operating expenses were between \$1.95 million and \$2 million (or about 14% of sales) and increased to \$2.1 million (17.6%) in fiscal 1986. The big jump, however, occurred in fiscal 1987, when operating expenses were \$2.6 million (25.1%), or \$504,000 or 23.6% above fiscal 1986. The major cost increases occurred in: salaries, commissions and payroll costs; delivery; rent; insurance (up three times over fiscal 1985); depreciation; and temporary help related to the Bortz acquisition.

Operating income at \$94,000 in fiscal 1987, while a slight improvement over fiscal 1986 at \$83,000, has dropped sharply from \$230,000 in fiscal 1985 and \$565,000 in fiscal 1981 (not shown in the exhibit). As of the summer of 1987 management was undertaking a strenuous cost reduction program including employee layoffs and cutbacks in controllable overhead items.

Other income at \$73,000 in fiscal 1987 is composed of discounts, dividend income and a railcar terminaling. The decline in other income from much higher levels of \$200,000 and above a few years earlier primarily occurred in terminaling activity. Other expense at \$88,000 has just become a material item in the past few years and reflects the Rosenthal consultant agreement and interest expense on the Bortz oil loan. Fiscal 1987 also included \$7,000 of acquisition start up cost other than the aforementioned temporary employee expenses.

Pretax income of \$79,000 in fiscal 1987 compares unfavorably with a range of \$215,000 to \$414,000 in the fiscal years 1982 to 1986. Similarly, net income at \$67,000 is well below the \$139,000 for fiscal 1986 and the profits of prior years.

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For fiscal 1988 management is forecasting sales of \$10.5 million or the same as fiscal 1987 and profit of \$360,000 before management bonus, ESOP contribution and income taxes. If management bonuses and the ESOP contribution are the same as in fiscal 1987, the forecasted pretax profit would be about \$120,000, up from \$79,000 in fiscal 1987. The sales estimate, among other factors, reflects the loss of Boyle-Midway for a full year or another incremental \$800,000 sales drop and a positive increment of about \$1.3 million from a full year's Bortz revenue contribution. An unknown is whether the Standard Brand Paints slowdown which began in the first quarter of fiscal 1988 will continue for the full year.

Exhibit B contains Anchem's comparative balance sheet for the period April 30, 1983 to 1987. For most of this time frame, Anchem's balance sheet remained remarkably consistent and static. Total Company assets were \$3.27 million at April 30, 1987 or basically unchanged from \$3.1 million at April 30, 1983. From fiscal 1983 to fiscal 1986 current assets were \$2.8 million to \$2.9 million, or about 88% of total assets.

The Bortz acquisition during fiscal 1987 altered the balance sheet composition. Cash and equivalents dropped \$703,000 to \$202,000 as of April 30, 1987 and inventories rose \$197,000 to \$794,000. Inventories consist primarily of chemicals and packaging materials. Total current assets dropped just under \$400,000 to \$2.5 million (77.3% of assets) at April 30, 1987. Fixed assets jumped to \$733,000 (22.4%) from \$371,000 in fiscal 1986 (11.3%).

Much of the cash decline was absorbed by a \$509,000 reduction in accounts payable to \$609,000 in fiscal 1987 (18.6%) from \$1.1 million (34.1%) in fiscal 1986. The other important change in the current liabilities reflects the booking of the current portion of the Bortz note of \$193,000. Overall, however, total current liabilities dropped to \$1.07 million from \$1.24 million a year earlier. Long-term liabilities reflect the over one year portion of the Bortz note at \$76,000. Prior to 1987 Anchem did not have any long-term liabilities. The original principal of the Bortz note at October 1986 was \$370,000 at an interest rate of 9%, secured by certain equipment, to mature in October 1988.

Anchem's equity was \$2.1 million (65.0% of assets) at April 30, 1987 and had risen steadily from \$1.7 million (53.6%) at April 30, 1983.

Notwithstanding the cash liquidity fall-off and the Company's narrow 1987 profit, Anchem is in solid financial position as shown by the ratios in Exhibit D. The current ratio was 2.36 to 1 at April 30, 1987 or essentially unchanged from a year earlier. Quick ratio declined somewhat to 1.42 from 1.77. The 1986-87 sales drop is reflected in lower receivable and inventory turns as shown by Exhibit D. Sales/working capital remained steady at 7.2 because of a \$208,000 drop in working capital to

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\$1.46 million. Unless profits deteriorate further, Anchem should not have any serious difficulty in paying off the balance of the Bortz note since cash flow in fiscal 1987 exceeded current maturity of long-term liabilities by about 20%. Anchem has a very nominal 0.4 to 1 long term liability to equity ratio.

Anchem's operating profit margins and return on assets and equity as shown in Exhibit D are well below industry standards and not satisfactory.

Anchem's sound fiscal condition should allow management the time and opportunity to reconfigure the Company for the more competitive and environmentally sensitive business circumstances that it operates in today. The Company believes the sales decline may be bottoming out, and management is in the process of reducing costs to conform with the lower volume level. Management wants to integrate forward into more profitable and less environmentally troublesome consumer products which may be partially accomplished with the Bortz acquisition. The overall goal is to improve profitability and return on investment.

ANGELES CHEMICAL CO.

Exhibit A

Comparative Income Statement
1982-87
(000)

Year End April 30:	<u>1987</u>		<u>1986</u>		<u>1985</u>		<u>1984</u>		<u>1983</u>		<u>1982</u>	
Sales	\$10,521	100.0%	\$12,129	100.0%	\$13,520	100.0%	\$14,455	100.0%	\$15,023	100.0%	\$16,812	100.0%
Cost of Sales	7,787	74.0	9,909	81.7	11,296	82.2	12,397	85.8	13,044	86.8	13,958	83.1
Gross Profit	2,734	26.0	2,219	18.3	2,224	6.2	2,058	14.2	1,979	13.2	2,836	16.8
Operating Expenses	2,640	25.1	2,136	17.6	1,994	14.5	1,948	13.5	1,848	12.3	1,726	10.3
Operating Income	94	.9	83	.7	230	1.7	110	.8	131	.9	310	1.9
Other Income	73	.7	180	1.5	224	1.6	163	1.1	228	1.5	81	.5
Other Expenses	88	.8	48	.4	41	.3	3	—	—	—	6	—
Pretax Income	79	.8	215	1.8	414	3.0	270	1.9	359	2.4	386	2.3
Provision for Taxes	(12)	(.1)	(75)	(.6)	(187)	(1.4)	(94)	(1.4)	(148)	(1.0)	(150)	(.9)
Net Income	\$ 67	.6%	\$ 139	1.2%	\$ 227	1.6%	\$ 175	1.2%	\$ 211	1.4%	\$ 236	1.4%

SOURCE: Company financial statements (Unaudited)

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Exhibit B
Comparative Balance Sheet
1983-87
(000)

As of April 30:	1987		1986		1985		1984		1983	
Current Assets:										
Cash, CD, MMF	\$ 202	6.2%	\$ 905	27.5%	\$ 521	16.2%	\$ 635	19.7%	\$ 852	27.2%
Accounts Rec.	1,323	40.4	1,288	39.2	1,591	49.6	1,668	51.6	1,391	44.4
Inventories	794	24.3	597	18.2	627	19.6	524	16.2	502	16.0
Prepaid Exp./Other	206	6.3	115	3.5	62	1.9	33	1.0	52	1.7
Total	<u>2,526</u>	77.3	<u>2,906</u>	88.5	<u>2,801</u>	87.3	<u>2,860</u>	88.5	<u>2,797</u>	89.2
Fixed Assets @ Cost										
Accum. Depreciation	<u>(868)</u>		<u>(719)</u>		<u>(629)</u>		<u>(553)</u>		<u>(458)</u>	
Net Fixed Assets	773	22.4	371	11.3	397	12.4	362	11.2	330	10.5
Other Assets	8		8		8		8		8	
Total Assets	<u>\$3,266</u>	100.0%	<u>\$3,285</u>	100.0%	<u>\$3,207</u>	100.0%	<u>\$3,230</u>	100.0%	<u>\$3,135</u>	100.0%
Current Liabilities:										
Accounts Payable	\$ 609	18.6%	\$1,119	34.1%	\$1,120	34.9%	\$1,007	31.2%	\$1,050	33.5%
Deposits	198	5.8	159	4.8	143	4.4	112	3.5	136	4.3
Note Payable-Bortz	193	5.9	—		—		—		—	
Accrued Expenses	68	2.1	49	1.5	69	2.2	303	9.3	271	8.6
Inc. Tax Payable	—		(87)	(2.6)	92	2.9	(53)	(1.6)	(3)	
Total	<u>1,068</u>	32.7	<u>1,240</u>	37.7	<u>1,424</u>	44.4	<u>1,370</u>	42.4	<u>1,454</u>	46.4
L/T Liabilities	76	2.3	—		—		—		—	
Shareholder Equity	2,122	65.0	2,046	62.3	1,782	55.6	1,854	57.4	1,681	53.6
Total Liabilities and Equity	<u>\$3,266</u>	100.0%	<u>\$3,286</u>	100.0%	<u>\$3,207</u>	100.0%	<u>\$3,230</u>	100.0%	<u>\$3,135</u>	100.0%

SOURCE: Company financial statements (unaudited).

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Exhibit C

Statement of Changes in Financial Position
FY1986-87
(000)

Year End April 30:	<u>1987</u>	<u>1986</u>
Source of Funds:		
Net Income	\$ 67	\$139
Item not Requiring Working Capital:		
Depreciation	157	98
Other Sources:		
Tax Refunds	—	7
Sale of Assets	8	10
Increase in Long-Term Debt	<u>162</u>	<u>—</u>
Total Source of Funds	<u>395</u>	<u>255</u>
Application of Funds:		
Decrease in Long-Term Debt	87	—
Purchase of Assets	522	82
Paid-In Capital	<u>—</u>	<u>113</u>
Total Application of Funds	<u>608</u>	<u>31</u>
· Increase (Decrease) in Working Capital	\$ <u>(213)</u>	\$ <u>286</u>
Changes in Working Capital - Increase (Decrease)		
Cash	\$(681)	\$369
Accounts Receivable	12	(286)
Inventories	197	(30)
Prepaid Expenses	91	92
Accounts Payable	509	3
Accrued Payroll	(19)	(1)
Payroll & Sales Tax Payable	1	(4)
Income Taxes Payable	(94)	180
Drug Deposits	(36)	(12)
Customer Deposits	(3)	(4)
Employee Benefit & Welfare	(1)	—
Loans Payable	(193)	—
Accrued Profit Sharing	3	25
Increase (Decrease) in Working Capital	\$ <u>(213)</u>	\$ <u>286</u>

SOURCE: Company financial statements (unaudited).

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Exhibit D

Selected Ratio Analysis

	FY April 30:	<u>1987</u>	<u>1986</u>
<u>Liquidity Ratios</u>			
Current (Current Assets divided by Current Liabilities)		2.36	2.34
Quick (Cash & Accounts Receivable divided by Current Liabilities)		1.42	1.77
Sales/Receivables (Sales divided by Accounts Receivable)		7.98	9.42
Sales/Working Capital (Sales divided by Working Capital)		7.2	7.3
Cost of Goods Sold/Inventories (Cost of Goods Sold divided by Inventories)		9.8	16.6
<u>Coverage Ratio</u>			
EBIT/Interest (Earnings before Interest and Tax divided by Interest Expense)		5.2	—
Cash Flow/Maturity LTD (Net Income + Depreciation Expenses divided by Current Portion of Long Term Debt)		1.2	—

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Exhibit D (Cont'd)

	FY April 30:	<u>1987</u>	<u>1986</u>
<u>Leverage Ratios</u>		0.54	0.61
Debt/Worth (Total Liabilities divided by Net Worth)			
Long-Term Liabilities/Worth (Liabilities over one year divided by Net Worth)		0.04	—
<u>Operating Ratios</u>			
Percent Profit before Taxes/ Net Worth (Pretax Profit divided by Assets less Liabilities)		3.7%	10.5%
Total Asset Turnover (Sales divided by Average Total Assets)		3.21	3.74
Return on Equity (Net Income divided by Average Stockholders' Equity)		3.2%	7.3%
Return on Assets (Net Income divided by Average Stockholders' Equity)		2.0%	4.3%

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IV. VALUATION

In arriving at a value determination for Angeles Chemical, Co. Menke & Associates has considered all relevant factors under Revenue Ruling 59-60 with respect to the valuation of closely held companies. The following comments represent our findings with respect to those specific factors outlined in Revenue Ruling 59-60 as they pertain to the valuation of a closely held company such as Anchem.

Anchem's stated book value of \$2,122,104 is employed as being equivalent to fair market value as of April 30, 1987.

Normally, book value or adjusted book value is not afforded much weight or consideration in the valuation of an operating company such as Anchem. Such type companies are normally valued on earnings and/or cash flow capacity. As stated in an earlier section, Menke & Associates has chosen to use book value as of April 30, 1987 since the Company's earnings are depressed.

Dividend History, Capacity and Probability

Revenue Ruling 59-60 suggests that the appraiser consider dividends and dividend paying capacity in valuing closely held securities.

The Company has not paid any dividends on its common stock and has no intention of changing this policy at this time. This policy is quite appropriate for a small, private company which is owned by shareholders who neither rely upon nor expect dividend income.

Normally, earnings reinvested in the growth of the Company can be expected to earn at a greater return than dividend income invested in other investment opportunities with similar risks and prospects. Consequently, shareholders will ultimately benefit from the current policy to reinvest earnings in the Company's growth rather than to pay cash dividends.

The capacity to declare and pay cash dividends is a positive consideration. The decision not to pay dividends is not a negative consideration.

Comparable Companies -- Publicly Traded

Revenue Ruling 59-60 suggests that the appraiser consider the market price of stocks of corporations engaged in the same or a similar line of business having their stock actively traded in a free and open market or over the counter. Menke & Associates has made an exhaustive search for comparable public companies which can be deemed to be similar to Anchem. No single company proved to be a worthy publicly traded comparable. Publicly traded companies are generally much larger and more diverse both geographically and in business operations.

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One such large public company is Univar Corp. As reviewed in an earlier section, Univar is the largest U.S. chemical distributor with pro-forma revenues of \$1.1 billion following its 1986 acquisition of McKesson Chemicals. Van Water & Rogers, a Univar division, and McKesson are direct Anchem competitors. Univar's pro forma net income per share from continuing operations was \$0.24 and pro forma cash flow (net income plus depreciation) was \$1.70 for the fiscal year ended February 28, 1987. Univar's current ratio as of that date was 1.36:1; debt to equity was 1.2:1 and book value was \$9.80 per share. Return on sales and equity were 0.8% and 1.6% respectively. Univar's operating results were in part depressed by merger expenses. As of April 30, 1987, Univar common was trading at \$17-3/4 or 1.8X book value, 10.4X pro forma cash flow and 14% of pro forma revenues.

Normally, and probably in the future, Menke & Associates would select a capitalization rate or Price/Earnings ratio by reference to P/E ratios for market indices such as the Dow Jones Industrials, Standard & Poor's 400 and Moody's chemical industry composite. Since a capitalization of earnings methodology is not now being employed, such a reference is not appropriate. Univar's market capitalization rates may also be broadly referenced in the future although Univar is a substantially larger and much more geographically, customer and product diverse company.

Valuation and Earnings Capacity

The prior ESOP valuations appear to rely on conclusions derived from capitalizing five year average of net income, aftertax cash flow and pretax available cash flow, among other methods. After-tax cash flow is net income plus depreciation or total source of funds. Available cash flow before taxes is pretax income plus profit share/ESOP contribution plus depreciation. Anchem's earnings and cash flow as just defined for various periods are:

<u>Period</u>	<u>Net Income</u>	<u>Cash Flow</u>	
		<u>Available</u>	<u>After Tax</u>
FY1987	\$67,000	\$302,000	\$232,000
FY1985-87 Avg.	144,000	439,000	271,000
FY1983-87 Avg.	164,000	464,000	280,000
FY87 as % of FY83-87 Avg.	41%	65%	83%

NOTE: All figures have been rounded

Menke & Associates has chosen to use book value of \$2,122,604 as of April 30, 1987 as fair market value since the Company's income and cash flows are relatively depressed and it is not clear when profit and cash flow will recover. The valuation is 18.4% below the ESOP value for April 30, 1986 and is thereby reflective of the Company's deteriorating operating condition and uncertain outlook. It is significant that cash flow in fiscal 1987 did not

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decline as much relative to the five year averages as did 1987 net income.

In a cyclical industry such as chemical distribution, it is normally appropriate to use five year averages for valuation purposes as was done in the past. However, Anchem's steady decline in sales and profits indicates an alteration in the Company's basic operating circumstances. Consequently, the employment of historic five year averages may not be indicative of the Company's current and future income and cash flow. The appraiser therefore did not use these longer term averages.

Generally, capitalization of income and cash flow streams is the appropriate methodology for determining the equity fair market value of an operating company such as Anchem. Such methods will most likely be applied in the future. The decision to utilize book value as fair market value as of April 30, 1987 is based on the factors just discussed and Menke & Associates and the appraiser's experience and knowledge in deriving equity values of closely held companies.

Recent Stock Sale and Valuation

Revenue Ruling 59-60 suggests that arm's-length sales to knowledgeable unrelated third parties in the recent past would be a basis for valuation.

There have been no such recent transactions.

Menke & Associates, Inc.

V. CONCLUSIONS

Based on our experience and general knowledge in determining the value of closely held companies and upon the consideration of all factors previously discussed, Menke & Associates is of the opinion that the fair market value of the outstanding common stock of Angeles Chemicals Co. for ESOT purposes is \$2,122,104 or \$39.25 per share as of April 30, 1987 based upon 54,065 Class A & B shares outstanding. This valuation is equivalent to the Company's stated book value as of that date.

Specific positive factors concerning Anchem were: its meaningful cash flow; its strong and near debt free balance sheet which should help sustain the Company through the current period of depressed profits; and management's program to reduce expenses.

Negative factors were: the six years' sales and profit erosion; uncertainty over the magnitude and timing of a stabilization or operating turnaround; need to build-up middle management; and the relative erosion of corporate liquidity.

It is important to point out that this evaluation is specifically intended to establish a per-share fair market value for shares to be issued or sold to the ESOT. This report does not specifically address the evaluation of the Company as an entity. The value of the Company as a whole, with the attendant rights to control the direction and growth of the Company, to influence or control compensation and dividends, to change the management, to acquire other companies and/or business operations, to buy companies or new product lines, or to sell or merge the Company, may be greater than the total value implied by this evaluation.

On the other hand, the value of minority interest shares held outside of an ESOT would probably be less than the value determined in this report. An ESOT with a "put" option obligating the Trust to repurchase the shares held by participants provides a valid market for such stock. Minority interest shares held outside of the ESOT would by necessity be discounted for their inherent lack of marketability. Anchem's \$65,000 cash contribution in fiscal 1987, according to management, is intended to meet anticipated ESOP stock redemptions from terminated participants.

This valuation is as of April 30, 1987; and, since it is based upon recent financial statements, it should be valid for the near future. However, it is imperative to recognize that the dynamics of the industries served and general economic conditions can change and invalidate this evaluation. Federal regulations require that the Company's common stock be reevaluated in any subsequent year in which ESOT transactions are contemplated.

APPENDIX I

REPORT OF
ANGELES CHEMICAL CO., INC.
APRIL 30, 1987

*

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

BR001874

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

626 SOUTH LAKE AVENUE - PASADENA, CALIFORNIA 91106

To the Board of Directors
Angeles Chemical co., Inc.

We have compiled the accompanying balance sheet of Angeles Chemical Co., Inc. as of April 30, 1987 and the related statement of income and changes in financial position for the quarter and year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or performed a review service on the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by Generally Accepted Accounting Principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Archer, Bulmahn & Co.
CERTIFIED PUBLIC ACCOUNTANTS

August 18, 1987

BR001875

ANGELES CHEMICAL CO., INC.

BALANCE SHEET

(Unaudited)

APRIL 30, 1987

ASSETS

CURRENT ASSETS

Cash	\$ 202,302	
Accounts Receivable (net of allowance for doubtful accounts of \$21,897)	1,322,518	
Inventories, at cost	794,309	
Prepaid expenses	<u>206,649</u>	
Total current assets		\$ 2,525,778

FIXED ASSETS

Property, plant and equipment (net of accumulated depreciation of \$868,342)	692,882	
Construction in progress	<u>39,765</u>	
Total fixed assets		732,647

OTHER ASSETS

Deposits		<u>7,944</u>
Total assets		<u>\$ 3,266,369</u>

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

Accounts payable, trade	\$ 608,975	
Accrued expenses	68,025	
Deposits	198,088	
Note payable (Bortz Oil) - current maturity	<u>193,289</u>	
Total current liabilities		\$ 1,068,377

LONG TERM LIABILITY

Note payable (Bortz Oil)		75,888
--------------------------	--	--------

CAPITAL

Capital stock (\$.10 par value, 1,000,000 shares authorized, 54065 shares issued and outstanding	5,406	
Paid in capital in excess of par	105,724	
Retained earnings	<u>2,010,974</u>	
Total capital		<u>2,122,104</u>
Total liabilities and capital		<u>\$ 3,266,369</u>

See accountant's compilation report.

 ARCHER. BULMAHN & CO.
 CERTIFIED PUBLIC ACCOUNTANTS

BR001876

ANGELES CHEMICAL CO., INC.
STATEMENT OF INCOME
(Unaudited)
YEAR ENDED APRIL 30, 1987

SALES		\$10,520,887
LESS: COST OF SALES		<u>7,786,708</u>
Gross profit		2,734,179
OPERATING EXPENSES		
Salaries and wages	822,015	
Selling and promotion	432,458	
Shipping	247,754	
Insurance	188,128	
Repairs and maintenance	181,892	
Manufacturing	160,620	
Depreciation	156,892	
Rent	112,000	
Employee benefit programs	88,541	
Business taxes and licenses	88,249	
General and administrative	59,938	
Utilities and telephone	40,999	
Professional services	34,166	
Bad debts	<u>26,320</u>	
Total operating expenses		<u>2,639,972</u>
Operating Income		94,207
OTHER INCOME		
Interest and dividends	39,167	
Discounts	6,509	
Demurrage	2,684	
Miscellaneous income	<u>24,887</u>	73,247
OTHER EXPENSE		
Interest	19,172	
Consulting/covenant	57,500	
Loss on sale of assets	4,404	
Acquisition/start-up expense	<u>7,044</u>	<u>(88,120)</u>
Net income before taxes		79,334
Provision for Income taxes		<u>(12,340)</u>
Net Income		<u>\$ 66,994</u>

See accountant's compilation report.

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

BR001877

ANGELES CHEMICAL CO., INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
(Unaudited)
YEAR ENDED APRIL 30, 1987

SOURCES OF WORKING CAPITAL

Net income	\$ 66,994
Item not requiring working capital:	
Depreciation	<u>156,892</u>
Working capital provided by operations	223,886

OTHER SOURCES OF WORKING CAPITAL

Increase in long term debt	75,888
Sale of assets	8,696
Increase in deposits	<u>169</u>
Total sources of working capital	\$ 308,639

USE OF WORKING CAPITAL

Purchase of assets	<u>521,630</u>
Decrease in working capital	\$ <u>(212,991)</u>

CHANGES IN WORKING CAPITAL - INCREASE OR (DECREASE)

Cash	\$ (681,596)
Accounts receivable	12,439
Inventories	197,012
Prepaid expenses	91,506
Accounts payable	509,020
Accrued expenses	(15,137)
Income taxes payable	(94,280)
Deposits	(38,667)
Note payable	<u>(193,288)</u>
	\$ <u>(212,991)</u>

See accountant's compilation report.

ARCHER, BULMAHN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

BR001878

APPENDIX II

Menke & Associates, Inc.

QUALIFICATIONS OF MENKE & ASSOCIATES, INC.

John D. Menke

John Menke is a tax attorney and an experienced professional in the field of corporate finance.

Prior to founding Menke & Associates, Inc. in 1974, he was general counsel to Boothe Computer Investment Corporation, a venture capital firm. Prior to that, he was associated with the law firm of Kelso, Cotton, Seligman & Ray, where he practiced in the fields of corporate finance, tax planning, mergers and acquisitions, and deferred compensation.

Mr. Menke has authored over 20 articles regarding Employee Stock Ownership Plans, leveraged buyouts and estate planning techniques, as well as a leading book on Employee Stock Ownership Plans. Mr. Menke also assisted in drafting some of the legislation which codified Employee Stock Ownership Plans as a part of Federal law.

Menke & Associates, Inc. is one of the oldest and most active firms in the country in the design and administration of employee Stock Ownership Plans. Since its founding in 1974, Menke & Associates, Inc. has designed and installed Employee Stock Ownership Plans and leveraged buyouts for hundreds of public and private companies including several of the nation's largest privately held firms.

Mr. Menke received his B.A. degree from the University of Texas and his LL.B. degree from Yale Law School.

Eric M. Bramstedt

Eric Bramstedt has nearly 25 years experience in the field of financial analysis, equity evaluations, securities analysis and investment banking. He has prepared well over 100 business valuations on closely held companies for merger and acquisition, gift and estate taxes, Employee Stock Ownership Plans (ESOPs), incentive stock option plans and others. These valuations covered a broad industry scope of closely held and public companies including several Fortune 1000 listings. Mr. Bramstedt possesses in-depth knowledge of ESOP functions and valuations through seven years of extensive experience with two leading ESOP design and valuation firms -- Kelso & Co. and Houlihan, Lokey, Howard & Zukin.

Mr. Bramstedt holds a bachelors degree in Economics from Stanford University and is a Chartered Financial Analyst (CFA). His professional affiliations include membership in the Security Analysts of San Francisco, the Financial Analysts Federation, and the Valuation Roundtable of San Francisco.

Menke & Associates, Inc.

Bryant J. Brooks

Bryant J. Brooks has an extensive background in corporate finance, venture capital, investment banking, and mergers and acquisitions. Mr. Brooks was President of Bay Equities, a venture capital firm, from 1972 to 1974. From 1968 to 1972, Mr. Brooks was President of Boothe Computer Investment Corporation, also a venture capital firm. Prior to that, Mr. Brooks was Vice President and Treasurer of Continental Capital Corporation, a publicly held Small Business Investment Company.

Since 1975, Mr. Brooks has prepared evaluation reports for a wide range of small and large companies. The clients represent a variety of manufacturing, distribution and service organizations -- including a number of high-technology companies.

During 1982, Mr. Brooks served for nine months as pre-term President of a publicly held savings and loan holding company.

Mr. Brooks also teaches graduate level finance courses at Golden Gate University in San Francisco.

Mr. Brooks was graduated Phi Beta Kappa from Yale University in 1950, receiving a B.A. degree in Economics. He received an M.B.A., with Distinction, from Harvard University in 1955.

Raymond G. Hogue

Raymond G. Hogue is an experienced financial analyst who has been a member of the business valuation staff of Menke & Associates since 1982. Mr. Hogue has a broad background in the analysis and valuation of various sizes and types of businesses. Prior to joining Menke & Associates, Inc., he served as the accounting and financial manager for a contract software development company.

Mr. Hogue graduated with honors from San Jose State University, receiving a B.S. degree in finance. In addition, he was chosen as the outstanding graduate of the San Jose State University School of Business.

Robert M. Ireland

Robert M. Ireland has an extensive background in securities valuation, corporate finance and venture capital. Prior to joining Menke & Associates, Mr. Ireland was a Vice President and General Partner of Kelso & Company, Inc., an investment banking firm which specializes in Employee Stock Ownership Plan (ESOP) financing techniques. Mr. Ireland is an experienced professional in securities valuation, in the financial design of Employee Stock Ownership Plans (ESOPs), and in the planning, design, structuring and implementation of leveraged buyouts.

Menke & Associates, Inc.

Prior to his association with Menke & Associates and Kelso & Company, Mr. Ireland was a consultant to Transamerica Corporation and Memorex Corporation in the areas of corporate finance and capital markets during their computer industry antitrust litigation. From 1970 to 1974, Mr. Ireland was a Security Analyst at BA Investment Management Corporation, a subsidiary of Bank of America NT&SA. He is a member of the Financial Analysts Federation, the Security Analysts of San Francisco, and the American Management Association.

Mr. Ireland graduated from Stanford University with an A.B. in Economics in 1965. He received his M.B.A. in Finance from the University of California at Los Angeles in 1967, followed by two years of service in the U.S. Army as a Contracting Officer at the U.S. Army Electronics Command in Ft. Monmouth, New Jersey, and the Republic of Vietnam.

Everett A. Mathews

Everett A. Mathews graduated from the University of California, Berkeley, with a B.S. degree in Finance. Prior to 1971 he was employed as a commercial loan officer by Security Pacific National Bank in their San Francisco Main Office with responsibility for lending to businesses. Since 1971 he has specialized in financial analysis and the valuation of closely held businesses.

John L. Scripps

John Scripps has 20 years of extensive experience in corporate financial and general management as well as business valuation.

Following several years as a Systems Analyst in the Office of the Assistant Secretary of Defense for Systems Analysis in Washington, D.C., he rejoined the private sector where he has served for almost 18 years as the chief financial officer of three private companies. In that capacity, Mr. Scripps has directed the financial affairs of manufacturing and service companies ranging in size from a venture capital-financed "startup" to an established 85 year-old company producing annual sales approximating \$100 million.

Subsequently, Mr. Scripps has specialized in the valuation of closely-held businesses. He has prepared business valuations for a wide range of companies in manufacturing, service, and distribution industries nationwide. He has prepared valuations for a number of purposes, including gift taxes, estate taxes, employee stock ownership plans, and for acquisitions and dispositions of controlling interests in companies.

Mr. Scripps holds an M.B.A. degree in Finance from the Stanford University Graduate School of Business Administration and a B.A. degree, also from Stanford University.

Menke & Associates, Inc.

Donald J. Tubb

Donald J. Tubb has varied and extensive experience in general and financial management as well as in corporate finance and business valuation. Mr. Tubb is a retired Air Force officer with 22 years service as a pilot and operations/logistics manager. Subsequently, as a Vice President in the Wells Fargo Bank Corporate Finance Department, he performed stock valuations and assisted in corporate planning, mergers/acquisitions and private placements for bank customers. He has also served as CFO of a manufacturing company and formed his own consulting firm to provide valuation consulting and corporate planning services to corporate clients.

Mr. Tubb received an M.B.A. degree in Finance in 1973 from the University of California at Berkeley and a B.A. in 1955 from Oklahoma State University.

**Evaluation
of the
Common Stock
of
ANGELES CHEMICAL CO.
as of
April 30, 2000
(Short Form Report)**

**Prepared by:
Sansome Street Appraisers, Inc.
February 2001**

Sansome Street Appraisers, Inc.

690 MARKET STREET, 12TH FLOOR
SAN FRANCISCO, CALIFORNIA 94104-5113
PHONE (415) 362-9900
FAX (415) 362-6492

Morristown, New Jersey

February 15, 2001

CONFIDENTIAL

Mr. John Locke, Trustee
Employee Stock Ownership Plan
Angeles Chemical Co.
c/o Singer, Traynor & Co.
6055 E. Washington Boulevard, #500
Los Angeles, California 90040

Dear Mr. Locke:

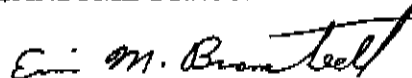
You have requested we establish the fair market value of the common stock of Angeles Chemical Co. for Employee Stock Ownership Plan (ESOP) purposes as of April 30, 2000.

Our evaluation places a fair market value of \$100,000 on the common stock of Angeles Chemical Co. as of April 30, 2000. Based on 30,166 A and B common shares outstanding, the value per share is \$3.30.

Federal regulations require that the Company's common stock be reevaluated at least annually for ESOT purposes.

Very truly yours,

SANSOME STREET APPRAISERS, INC.



Eric M. Bramstedt, CFA

EMB:ew
enclosure

cc: Robert Lentz

BR001885

Sansome Street Appraisers, Inc.

Introduction and Summary

The Administrative Committee of the Angeles Chemical Company, Inc. Employee Stock Ownership Plan has requested that Sansome Street Appraisers, Inc. evaluate the common stock of Angeles Chemical Company, Inc. ("Angeles Chemical," "Anchem" or the "Company") as of plan year end April 30, 2000 in order to determine the minority interest fair market value of the Company's common stock for annual Employee Stock Ownership Plan (ESOP) reporting purposes and for use in common stock transactions involving the Company's ESOP.

At April 30, 2000, Anchem's ESOP owned all 10,166 B (nonvoting) common shares of Company common stock (33.7% of the A and B common stock). During fiscal 2000, Anchem accrued a \$40,000 cash ESOP contribution.

Anchem is a closely held corporation with no present market for its common stock. It is a regional Southern California liquid chemical distributor whose products are used in industrial, commercial and retail/consumer applications.

Sales in fiscal 2000 dropped 18.8% year-to-year to \$9 million from \$11.1 million in fiscal 1999 and the net loss was \$578,000 on top of a \$139,000 fiscal 1999 loss. Year-to-year, total liabilities rose 5.1% to \$3.35 million while shareholders' equity fell 38.9% to \$907,000 at April 30, 2000. Working capital was a negative \$836,000 compared to a negative \$246,000 at April 30, 1999. At that date, the Company was in violation of its asset-based bank financing agreement, which subsequently caused the lender to call the loan. The Company's independent CPA, Singer, Traynor & Co., placed a "going concern" qualification in its (draft) accountancy opinion letter dated August 4, 2000.

ESOP Valuation Conclusion

At April 30, 2000 Anchem was operating, but at a loss, financially insolvent and unable to become site environmentally compliant despite spending at least \$2 million for this purpose in recent years.

Given Anchem's distressed operating and financial circumstances and its questionable ability to continue to operate as a commercial business, the appraiser believes the economic value of Anchem's equity ownership at April 30, 2000 is nominal.

To facilitate Employee Stock Ownership Plan administration as of that date, the appraiser has designated an ESOP "going concern" fair market value of \$100,000, or \$3.30 a share (rounded) based on 30,166 A and B common shares outstanding. This valuation opinion is rendered on a best efforts basis and is inherently intuitive and highly speculative. By its nature, this intuitive valuation was not prepared employing standard valuation criteria or methods.

ESOP Fair Market Value (FMV) Report Dated April 30, 1999

Incorporated by reference is the comprehensive ESOP valuation report prepared by Bramstedt & Associates, Inc. (BAI) for the plan year ended April 30, 1999 dated October 1999. In that document, BAI determined that the ESOP FMV was \$1,039,500 or \$34.45 per share on 30,166

Sansome Street Appraisers, Inc.

A and B common shares outstanding. (A and B shares are treated equally for valuation purposes.) This value conclusion is 70% of stated book value and 9.4% of sales at April 30, 1999.

This report contains: a definition of fair market value; valuation guidelines and criteria as prescribed by the Department of Labor and Internal Revenue Service; ESOP valuation summary for fiscal years 1995-1999; Company history, facilities, management and shareholders; environment issues update; financial analysis and review with exhibits for fiscal years 1995-1999; and valuation methodology and conclusions.

This report should be reviewed in conjunction with this opinion report.

Financial Analysis and Review

Anchem has provided Sansome Street Appraisers, Inc. with financial statements for the fiscal years 1996-2000. These financial statements have been thoroughly examined and discussed with management. A copy of the Company's draft financial statement for the fiscal year ended April 30, 2000, prepared as a review by Singer, Traynor & Co., CPAs, is attached as Appendix I. Financial statements prior to fiscal 1998 were compilations.

The results of our review and analysis of Anchem's financials are contained in the exhibits outlined below:

Exhibit A	Comparative Income Statement, FY1996-2000
Exhibit B	Comparative Balance Sheets, FY1996-2000
Exhibit C	Selected Financial Ratios, FY1998-2000

These exhibits are presented at the end of this section of the report.

As shown in Exhibit A, fiscal 2000 sales fell \$2.08 million or 18.8% to \$9.01 million from \$11.1 million in fiscal 1999. Cost of goods sold dropped 17.8% or \$1.38 million to \$6.35 million (70.5% of sales) in fiscal 2000 from \$7.7 million (69.6%) a year earlier. Gross profit was down \$705,000 or 20.9% to \$2.66 million (29.5%) in fiscal 2000 from \$3.37 million (30.4%) in fiscal 1999. Operating expenses declined 8.9% or \$302,000 to \$3.1 million (34.5%) in fiscal 2000. Included in operating costs in fiscal 2000 and for several prior years are expenses for environmental consultants and ongoing cleanup, and in fiscal years 1999 and 2000 extraordinary production costs of operating in an inefficient mode of temporary surface tanks.

The lower cost of goods sold and operating costs were insufficient to counter the \$2 million fall in sales, so that a \$448,000 operating loss was recorded in fiscal 2000 compared to a prior year loss of \$44,000. Interest expense doubled to \$101,000 (1.6%) in fiscal 2000.

Pretax loss in fiscal 2000 was \$577,000 and net loss was \$578,000; the comparative fiscal 1999 loss figures were losses of \$164,000 and \$139,000.

As shown in Exhibit B, Anchem's total assets at April 30, 2000 were \$4.25 million, 8.84% or \$413,000 below the \$4.67 million at April 30, 1999.

Sansome Street Appraisers, Inc.

Current assets declined \$359,000 to \$2.08 million (48.8% of total assets) at April 30, 2000, primarily at accounts receivable of \$1.32 million (31.0%) which include a disputed receivable. Marketable security investments were down \$770,000 to \$50,000 (1.2%) at April 30, 2000 as these funds were invested in an above-ground storage tank and product processing system (see Note 4 - Appendix I). Per the statements of cash flow in Appendix I, \$741,000 was invested in construction in progress in fiscal 2000 and \$590,000 in fiscal 1999. Accordingly, net fixed assets at April 30, 2000 jumped \$711,000 or 50% to \$2.1 million (49.5%) from \$1.4 million (29.9%) a year earlier.

Current liabilities increased 8.6% to \$2.9 million (68.5% of liabilities and equity) at April 30, 2000, all of which took place at bank and other (shareholder) debt. As of April 30, 2000, the Company had a \$734,000 bank note payable (see Note 3) and \$217,000 in other notes payable. Current portion of term debt is \$66,770 and long-term debt \$435,000 (10.2%) (Note 5). These notes are to the current and two former shareholders.

Shareholders' equity at April 30, 2000 was \$907,000 (21.3%), down from \$1.49 million (31.8%) a year earlier on the net loss.

Exhibit C, selected financial ratios for fiscal years 1998-2000, shows very poor liquidity and high leverage ratios at April 30, 2000. For example, working capital was a negative \$836,000 at April 30, 2000 compared to negative \$246,000 a year earlier. Cash and securities investments totaled \$68,000, a mere 1.6% of total assets, compared to \$852,000 (18.3%) at April 30, 1999.

In its (draft) accountancy opinion letter of August 4, 2000 and Note 7 of that report, Singer, Traynor states that Anchem's ability to continue as a going concern "is dependent on achieving profitable results and maintaining its financing agreement." At the beginning of fiscal 2000 (May 1, 1999), Anchem was tenuously situated economically and environmentally. However, the large fiscal 2000 operating loss and corporate liquidity drain were more severe than anticipated by management, its advisors and therefore the appraiser.

Subsequent Events

According to information supplied telephonically by President and majority shareholder John Locke and representatives of Singer, Traynor, Anchem undertook a corporate shutdown and liquidation in fall 2000. The Company's chemical processing operation, customer list, goodwill, inventory and some equipment were sold for cash to L.A. Chemical, which retained most of Anchem's personnel. The Santa Fe Springs real property was sold for cash with a nearly equal cash amount placed in an escrow account for environmental clean-up costs and related liabilities. The appraiser does not have the specific detail of these transactions or on the disposition of a \$21,000 ESOP loan and off balance sheet consulting agreement with a former Anchem shareholder for \$324,000. Anchem paid off or otherwise settled its \$734,000 bank note and a shareholder-held \$502,000 term debt. Assuming Anchem is not forced into bankruptcy, unsecured creditors are expected to receive some payment, but well below 100%. The common shareholders are not expected to receive any liquidation payments.

ANGELES CHEMICAL CO.

Exhibit A

Comparative Income Statement, F2000-1996
(\$000)

FYE 4/30:	<u>2000</u>		<u>1999</u> (restated)		<u>1998</u>		<u>1997</u>		<u>1996</u>	
Net Sales	\$9010	100.0%	\$11091	100.0%	\$11261	100.0%	\$9759	100.0%	\$6877	100.0%
Cost of Sales	6348	70.5	7724	69.6	8061	71.6	6753	69.2	4956	72.1
Gross Profit	2662	29.5	3367	30.4	3200	28.4	3006	30.8	1922	27.9
Operating Expenses	3110	34.5	3412	30.8	3008	26.7	2755	28.2	2153	31.3
Operating Income (Loss)	(448)	(5.0)	(44)	(0.4)	191	1.7	251	2.6	(231)	(3.3)
Other Income (Expense)	(28)	(0.3)	(62)	(0.6)	(103)	(0.9)	(99)	(1.0)	640	9.3
Interest Expense	101	1.6	57	0.5	46	0.6	49	0.5	49	1.0
Pretax Income (Loss)	(577)	(6.4)	(164)	(1.5)	42	0.3	103	1.0	360	5.2
Provision for Taxes (Credit)	<u>1</u>		<u>(25)</u>	0.2	<u>12</u>	0.1	<u>19</u>	0.2	<u>13</u>	0.2
Net Income (Loss)	<u>(\$578)</u>	(6.4)	<u>\$ (139)</u>	(1.3)	<u>\$ 31</u>	0.3	<u>\$ 83</u>	0.8	<u>\$ 347</u>	5.1

SOURCE: Company financial statements (unaudited).

BR001889

ANGELES CHEMICAL CO.

Exhibit B

Comparative Balance Sheet
2000-1996
(000)

As of 4/30:	<u>2000</u>		<u>1999</u>		<u>1998</u>		<u>1997</u>		<u>1996</u>	
Current Assets:										
Cash and liquid investments	\$ 17	0.4%	\$ 32	0.7%	\$ 68	1.8%	\$ 318	8.2%	\$ 280	6.4%
Accounts receivable	1320	31.0	1324	28.4	1249	32.1	1481	38.0	1055	24.2
Inventories	553	13.0	863	18.5	1067	27.4	1122	28.8	1228	28.2
Due from litigation		640	14.7
Due from affiliated companies/deferred expenses	186	4.4	216	4.6	185	4.7	145	3.7	317	7.2
Total	2076	48.8	2435	52.2	2568	66.0	3065	78.7	3520	80.7
Investments in Marketable Securities	50	1.2	820	17.6	499	12.8	--		--	
Land	648		648		648		648		648	
Other Fixed Assets at Cost	3210		2453		1831		1796		1750	
Accumulated Depreciation	(1750)		(1704)		(1656)		(1613)		(1571)	
Net Fixed Assets	2108	49.5	1397	29.9	823	21.1	821	21.1	827	19.0
Other Assets	20	0.5	15	0.3	5	0.1	6	0.2	13	0.3
Total Assets	\$4254	100.0	\$4667	100.0	\$3894	100.0	\$3893	100.0	\$4360	100.0
Current Liabilities:										
Accounts payable	\$1647	38.7	\$1723	36.9	\$1410	36.2	\$1357	34.9	\$1535	35.2
Deposits	15	0.4	15	0.3	5	0.1	7	0.2	7	0.2
Bank and other notes payable	963	22.6	689	14.8	81	2.1	72	1.8	330	7.6
Accrued expenses/liabilities	221	5.2	190	4.1	147	3.9	177	4.6	60	1.4
Current debt portion	67	1.6	64	1.4	61	1.5	58	1.5	35	0.8
Total	2912	68.5	2681	57.5	1704	43.8	1672	43.0	1967	45.1
Long-Term Liabilities	435	10.2	502	10.8	566	14.6	627	16.1	580	13.3
Shareholder Equity	907	21.3	1485	31.8	1624	41.6	1593	40.9	1814	41.6
Total Liabilities & Equity	\$4254	100.0	\$4667	100.0	\$3894	100.0	\$3893	100.0	\$4360	100.0

SOURCE: Company financial statements (unaudited).

BR001890

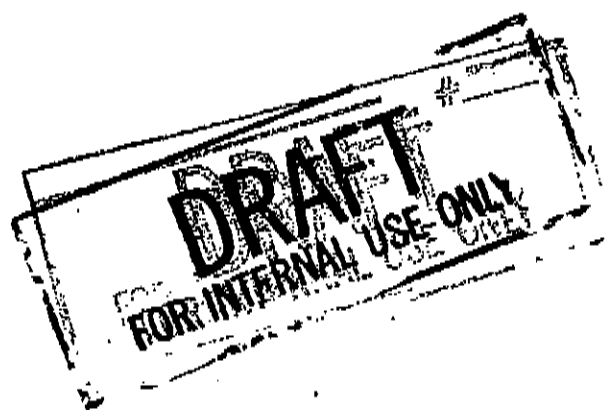
ANGELES CHEMICAL CO.
Exhibit C
Selected Ratio Analysis
FY2000-1998

	FY 4/30:	<u>2000</u>	<u>1999</u>	<u>1998</u>
<u>Liquidity Ratios</u>				
Current (Current Assets divided by Current Liabilities)		0.7	0.9	1.5
Quick (Cash & Accounts Receivable divided by Current Liabilities)		0.5	0.5	0.77
Working Capital (\$000)		(836)	(246)	864
Sales/Receivables (Sales divided by Accounts Receivable)		6.8	8.4	9.0
Sales/Working Capital (Sales divided by Working Capital)		--	neg.	12.8
Cost of Goods Sold/Inventories (Cost of Goods Sold divided by Inventories)		11.5	9.0	7.6
<u>Coverage Ratios</u>				
EBIT/Interest (Earnings before Interest & Tax divided by Interest Expense)		neg.	neg.	1.9
Cash Flow/Maturity LTD (Net Income + Depreciation Expenses divided by Note Payable and Current Debt)		neg.	neg.	0.52
<u>Leverage Ratios</u>				
Debt/Worth (Total Liabilities divided by Net Worth)		3.69	2.14	1.40
Long-Term Liabilities/Worth (Liabilities over one year divided by Net Worth)		0.48	0.34	0.35
<u>Operating Ratios</u>				
Total Asset Turnover (Sales divided by Average Total Assets)		2.8	2.6	2.9
Return on Equity (Net Income divided by Average Stockholders' Equity)		neg.	neg.	1.9%
Return on Assets (Net Income divided by Average Assets)		neg.	neg.	0.8%

neg. = negative

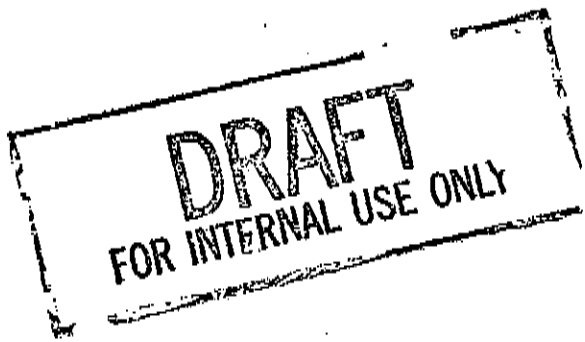
SOURCE: Company statements and Bramstedt & Associates.

APPENDIX I



ANGELES CHEMICAL CO., INC.

APRIL 30, 2000 AND APRIL 30, 1999



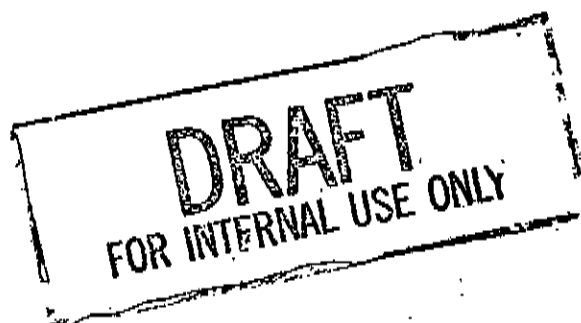
ANGELES CHEMICAL CO., INC.

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2. Balance Sheets
3. Statements of Income and Retained Earnings
4. Statements of Cash Flow
5. Other Income (Expenses) - Schedule 1
6. Balance Sheets Schedules - Schedule 2
7. Notes to Financial Statements

SINGER, TRAYNOR & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
6055 E. Washington Bl., Suite 500
Los Angeles, CA 90040

August 4, 2000



Angeles Chemical Co., Inc.
8915 Sorensen Ave.
Santa Fe Springs, CA 90670

We have reviewed the accompanying balance sheet of Angeles Chemical Co., Inc. as of April 30, 2000 and April 30, 1999, and the related statements of income and retained earnings and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Angeles Chemical Co., Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As discussed in Note 7 certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Singer, Traynor & Co.
Certified Public Accountants

Angeles Chemical Co., Inc.

BALANCE SHEETS

April 30, 2000 and April 30, 1999

ASSETS

	<u>2000</u>	<u>1999</u>
<u>CURRENT ASSETS</u>		
Cash	17,237.02	32,404.42
Accounts Receivable (Net of Bad Debts Allowances of \$5,000.00 and \$5,000.00 Respectively) - Note 2	1,320,337.00	1,324,015.52
Inventories (Lower of Cost, FIFO or Market) - Note 1	552,990.09	863,032.82
Due from Stallion Tank Lines, Inc.	2,879.28	6,859.28
Due from Samson Chemical Co.	-	12,500.00
Prepaid Income Taxes	-	36,686.00
Prepaid Excise Tax	47,359.42	-
Miscellaneous Receivable	-	4,029.07
Employee Advances	10,249.00	9,455.85
Deferred Expenses Schedule 3	125,182.13	145,909.80
<u>TOTAL CURRENT ASSETS</u>	<u>2,076,233.94</u>	<u>2,434,892.76</u>
<u>INVESTMENTS - MARKETABLE SECURITIES</u>	<u>50,418.47</u>	<u>820,191.74</u>
<u>FIXED ASSETS (at Cost) - Note 1</u>		
Land	648,000.00	648,000.00
Office Trailers	101,711.00	101,711.00
Trucks And Autos	232,386.00	232,386.00
Tanks And Plant Equipment	879,738.00	868,982.00
Furniture And Fixtures	279,693.00	275,092.00
Plant	385,606.00	385,606.00
Construction in Progress	1,330,949.58	589,779.37
<u>TOTAL</u>	<u>3,858,083.58</u>	<u>3,101,556.37</u>
Less Accumulated Deprecation	1,750,201.00	1,704,074.00
<u>BOOK VALUE</u>	<u>2,107,882.58</u>	<u>1,397,482.37</u>
<u>OTHER ASSETS</u>		
Deposits	20,000.00	15,000.00
<u>TOTAL ASSETS</u>	<u>4,254,534.99</u>	<u>4,667,566.87</u>

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FOR INTERNAL USE ONLY

The accompanying notes are an integral part of these statements
SEE ACCOUNTANTS' REVIEW REPORT

BR001896

Angeles Chemical Co., Inc.

BALANCE SHEETS

April 30, 2000 and April 30, 1999

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	1,647,012.32	1,723,048.36
Accrued Liabilities - Schedule 3	221,063.22	189,711.95
Drum Deposits	15,000.00	15,000.00
Note Payable - Other	216,771.16	88,678.55
Loan Payable - Stock Holder	11,825.80	-
Note Payable - Comerica Bank	734,000.00	600,000.00
Term Debt - Current - Schedule 3	66,769.51	64,192.99
<u>TOTAL CURRENT LIABILITIES</u>	<u>2,912,442.01</u>	<u>2,680,631.85</u>

TERM DEBT - Schedule 3

435,037.74	501,807.25
------------	------------

SHAREHOLDERS' EQUITY

Capital Stock	3,016.60	3,016.60
Retained Earnings	904,038.64	1,482,111.17
<u>TOTAL SHAREHOLDERS' EQUITY</u>	<u>907,055.24</u>	<u>1,485,127.77</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

4,254,534.99	4,667,566.87
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FOR INTERNAL USE ONLY

The accompanying notes are an integral part of these statements
SEE ACCOUNTANTS' REVIEW REPORT

BR001897

STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Years Ended April 30, 2000 and April 30, 1999

	2000	1999
SALES	9,010,320.48	11,091,213.90
<u>COST OF SALES</u>		
Materials	6,170,469.85	7,517,793.63
Drum Maintenance	48,272.58	70,520.50
Freight In	75,678.68	69,607.00
Pallets	53,539.00	66,003.00
<u>TOTAL COST OF SALES</u>	<u>6,347,960.11</u>	<u>7,723,924.13</u>
<u>GROSS PROFIT</u>	<u>2,662,360.37</u>	<u>3,367,289.77</u>
<u>OPERATING EXPENSES</u>		
Production Expenses - Schedule 1	1,046,505.24	1,310,944.13
Warehouse & Delivery - Schedule 1	858,708.42	849,579.21
Sales Expenses - Schedule 2	719,256.67	758,568.11
Administrative Expenses - Schedule 2	485,188.29	492,486.70
Interest	101,541.31	57,301.15
<u>TOTAL OPERATING EXPENSE</u>	<u>3,211,199.93</u>	<u>3,468,879.30</u>
<u>(LOSS) FROM OPERATING</u>	<u>(548,839.56)</u>	<u>(101,589.53)</u>
<u>OTHER INCOME & (EXPENSES)</u>		
Interest Income	14,470.73	26,917.11
Terminating Charges	176.22	22,713.88
Miscellaneous	3,479.29	8,026.25
Claims Expense	-	(622.47)
Property Contamination	(46,558.21)	(119,195.98)
<u>TOTAL OTHER INCOME & (EXPENSES)</u>	<u>(28,431.97)</u>	<u>(62,161.21)</u>
<u>(LOSS) BEFORE TAXES</u>	<u>(577,271.53)</u>	<u>(163,750.74)</u>
Provision for Income Taxes	800.00	(24,686.00)
<u>NET (LOSS) TO RETAINED EARNINGS</u>	<u>(578,071.53)</u>	<u>(139,064.74)</u>
<u>RETAINED EARNINGS - BEGINNING</u>	<u>1,482,110.17</u>	<u>1,621,174.91</u>
<u>RETAINED EARNINGS - ENDING</u>	<u>904,038.64</u>	<u>1,482,110.17</u>

DRAFT
FOR INTERNAL USE ONLY

The accompanying notes are an integral part of these statements
SEE ACCOUNTANTS' REVIEW REPORT

Angeles Chemical Co., Inc.
OPERATING EXPENSES
For the Years Ended April 30, 2000 and April 30, 1999

Schedule 1

	2000	1999
<u>PRODUCTION EXPENSES:</u>		
Direct Labor	192,050.84	245,120.29
Payroll Taxes	17,054.61	22,662.57
Workers Compensation Insurance	11,528.65	7,782.91
Health & Welfare	56,031.80	66,649.30
Outside Labor	402,217.43	521,851.92
Depreciation	30,529.00	37,694.00
Dues & Subscriptions	500.00	-
Equipment Rental	23,672.39	25,447.69
Forklift Expense	19,600.09	23,400.96
Insurance	92,791.87	114,562.00
Plant Supplies	62,088.49	52,876.36
Rent	41,100.00	39,900.00
Repairs & Maintenance	41,463.86	36,257.45
Security	1,700.00	1,680.00
Tank Testing	1,943.24	31,185.80
Taxes & Licenses	28,590.02	41,095.91
Uniforms	1,835.05	3,009.00
Utilities	21,197.34	18,292.92
Waste Disposal	610.56	21,475.05
<u>TOTAL PRODUCTION EXPENSES</u>	<u>1,046,505.24</u>	<u>1,310,944.13</u>

WAREHOUSE & DELIVERY

Wages	81,193.87	121,037.17
Payroll Taxes	7,165.24	11,211.29
Workers Compensation Insurance	4,974.29	3,860.02
Health & Welfare	23,381.75	22,690.54
Outside Labor	94,897.00	103,440.83
Depreciation	6,631.00	1,989.00
Equipment Rental	21,788.95	29,656.89
Fines & Penalties	-	841.00
Freight-Out	366,797.05	334,900.32
Insurance	37,883.21	34,308.00
Warehouse Rent	50,361.60	59,106.00
Supplies	-	1,117.92
Repairs & Maintenance	1,275.14	4,042.16
Truck	156,744.91	116,536.18
Uniforms	3,874.28	3,555.35
Utilities - Warehouse	1,740.13	1,286.54
<u>TOTAL WAREHOUSE & DELIVERY</u>	<u>858,708.42</u>	<u>849,579.21</u>

The accompanying notes are an integral part of these statements
SEE ACCOUNTANTS' REVIEW REPORT

BR001899

Angeles Chemical Co., Inc.
OPERATING EXPENSES
For the Years Ended April 30, 2000 and April 30, 1999

Schedule 2

	<u>2000</u>	<u>1999</u>
<u>SALES EXPENSES:</u>		
Sales Salaries	131,685.46	177,262.20
Payroll Taxes	10,763.46	12,900.68
Workers Compensation Insurance	917.04	1,419.04
Health & Welfare	15,699.16	15,815.77
Advertising	19,206.60	17,073.57
Auto	15,864.15	26,387.44
Entertainment	19,709.99	
Insurance	8,541.86	11,412.00
Commissions	448,833.96	398,910.17
Depreciation	2,133.00	3,978.00
Dues & Subscriptions	-	635.00
Equipment Rental	13,949.44	6,312.40
Supplies	8,557.09	15,058.12
Promotion	840.54	16,877.88
Travel	1,443.93	35,534.01
Telephone	21,110.99	18,991.83
<u>TOTAL SALES EXPENSES</u>	<u>719,256.67</u>	<u>758,568.11</u>

<u>ADMINISTRATIVE EXPENSES:</u>		
Salaries	119,872.45	136,760.45
Payroll Taxes	9,745.21	11,034.53
Workers Compensation Insurance	1,941.43	4,249.27
Health & Welfare	21,905.79	22,417.58
Outside Labor	-	1,184.00
Bad Debt	462.98	2,826.27
Bank Charges	8,393.12	3,436.20
Computer	43,595.13	38,786.01
Depreciation	6,834.00	3,978.00
Donations	350.00	1,225.00
Dues & Subscriptions	10,604.44	10,200.12
Equipment Rental	6,451.24	9,225.09
ESOP Contributions	25,289.32	58,978.91
Office Supplies	12,369.69	18,354.36
Postage	7,588.28	11,285.40
Professional Fees	193,190.01	135,175.23
Repairs & Maintenance	2,466.74	2,637.77
Seminars	-	3,964.07
Taxes & Licenses	6,111.80	4,755.00
Utilities	8,016.66	12,013.44
<u>TOTAL ADMINISTRATIVE</u>	<u>485,188.29</u>	<u>492,486.70</u>

The accompanying notes are an integral part of these statements
SEE ACCOUNTANTS' REVIEW REPORT

BR001900

Angeles Chemical Co., Inc.

BALANCE SHEETS SCHEDULES

April 30, 2000 and April 30, 1999

Schedule 3

	<u>2000</u>	<u>1999</u>
<u>DEFERRED CHARGES</u>		
Property Taxes	2,180.70	2,021.00
Insurance	97,195.20	105,222.00
Lease	10,162.78	9,352.76
Taxes & Licenses	3,689.52	3,657.00
Sales Taxes	3,706.72	1,536.05
Other	8,247.21	21,264.00
Compensation Insurance	-	2,856.99
<u>TOTAL</u>	<u>125,182.13</u>	<u>145,909.80</u>

<u>ACCRUED LIABILITIES</u>		
Commissions	103,851.34	63,586.67
Compensation Insurance	3,378.42	0.00
ESOP Contribution	40,000.00	61,500.00
Payroll	13,949.58	14,525.28
Other	59,883.88	50,100.00
<u>TOTAL</u>	<u>221,063.22</u>	<u>189,711.95</u>

	<u>Current</u>	<u>2000 Term</u>	<u>Total</u>
<u>TERM DEBT</u>			
J. Locke	13,130.83	137,728.58	150,859.41
A. Rosenthal	13,130.83	137,728.58	150,859.41
N. Spieler, Trustee	13,130.83	137,728.58	150,859.41
E.S.O.P.	21,000.00	21,852.00	42,852.00
Jaguar Credit Corp.	6,377.02	-	6,377.02
<u>TOTAL</u>	<u>66,769.51</u>	<u>435,037.74</u>	<u>501,807.25</u>

	<u>Current</u>	<u>1999 Term</u>	<u>Total</u>
<u>TERM DEBT</u>			
J. Locke	12,184.86	150,859.41	163,044.27
A. Rosenthal	12,184.86	150,859.41	163,044.27
N. Spieler, Trustee	12,184.86	150,859.41	163,044.27
E.S.O.P.	21,000.00	42,852.00	63,852.00
Jaguar Credit Corp.	6,638.41	6,377.02	13,015.43
<u>TOTAL</u>	<u>64,192.99</u>	<u>501,807.25</u>	<u>566,000.24</u>

The accompanying notes are an integral part of these statements
SEE ACCOUNTANTS' REVIEW REPORT

BR001901

Angeles Chemical Co., Inc.

STATEMENTS OF CASH FLOW

For the Years Ended April 30, 2000 and April 30, 1999

	2000	1999
OPERATING ACTIVITIES		
Net (Loss)	(578,071.53)	(139,063.74)
Adjustments to Reconcile Net to Net Cash		
Provided by Operating Activities:		
Depreciation	46,127.00	47,639.00
CASH (USED) PROVIDED BY OPERATIONS	(531,944.53)	(91,424.74)
CASH PROVIDED BY OPERATING ASSETS AND LIABILITIES:		
Decrease (Increase) in Accounts Receivable	3,678.52	(74,876.48)
Decrease in Inventories	310,042.73	204,442.43
Decrease (Increase) in Deferred Charges	20,727.67	(13,383.49)
Decrease (Increase) in Other Current Assets	9,041.50	(18,249.54)
(Increase) in Other Assets	(5,000.00)	(10,000.00)
(Decrease) Increase in Accounts Payable	(76,036.04)	313,535.42
Increase in Accrued Liabilities	31,351.27	41,866.19
Increase in Customer Deposits	-	10,000.00
(Decrease) in Income Tax Payable	-	-
NET CASH PROVIDED BY OPERATING ASSETS AND LIABILITIES	293,805.65	453,332.53
NET CASH (USED) BY OPERATING ACTIVITIES	(238,138.88)	361,907.79
INVESTING ACTIVITIES		
Decrease (Increase) Marketable Securities	769,773.27	(321,579.18)
Construction in Progress	(741,170.21)	(589,779.37)
Purchase of Property, Plant & Equipment	(15,357.00)	(32,754.00)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	13,246.06	(944,112.55)
FINANCING ACTIVITIES		
Increase in Notes Payable	209,725.42	546,631.16
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	209,725.42	546,631.16
(DECREASE) IN CASH AND CASH EQUIVALENTS	(15,167.40)	(35,573.60)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	32,404.42	67,978.02
CASH AND CASH EQUIVALENTS - END OF YEAR	17,237.02	32,404.42
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Years Ended April 30, 2000 and April 30, 1999 for:		
Income Taxes	-	2,795.00
Interest	101,541.31	57,301.15

The accompanying notes are an integral part of these statements
SEE ACCOUNTANTS' REVIEW REPORT

BR001902

Angeles Chemical Co., Inc.
(a C Corporation)

NOTES TO FINANCIAL STATEMENTS

April 30, 2000 and April 30, 1999

Note 1 - Summary of Significant Accounting Policies

General - The Company is a reseller/ distributor of liquid industrial and consumer product chemicals used in coating and other processes.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventory - Chemicals (raw materials and finished goods), components and drums are priced at the lower of cost (fifo) or market.

	<u>2000</u>	<u>1999</u>
Finished Products	256,228.21	394,598.98
Raw Materials	109,824.88	406,675.43
Components	176,937.00	251,398.32
Drums	<u>10,000.00</u>	<u>10,000.00</u>
<u>TOTALS</u>	<u>552,990.09</u>	<u>863,032.82</u>

Property, Plant and Equipment

Property, plant and equipment are depreciated on the straight line, declining balance, ACRS and MACRS methods for financial statement purposes and for tax purposes over the following useful lives:

	<u>Life</u>
Machinery & Equipment	5 - 7 Years
Vehicles	5 Years
Office Equipment	5 - 7 Years
Data Processing Equipment	5 - 7 Years
Leasehold Improvements	31.5 Years

Angeles Chemical Co., Inc.
(a C Corporation)

NOTES TO FINANCIAL STATEMENTS

April 30, 2000 and April 30, 1999

An analysis of the depreciable assets and respective accumulated depreciation is as follows:

<u>2000</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	648,000.00	0.00	648,000.00
Construction in Progress	1,330,949.58	0.00	1,330,949.58
Office Trailers	101,711.00	98,425.00	3,286.00
Trucks and Autos	232,386.00	218,172.00	14,214.00
Tanks and Plant Equipment	879,738.00	837,538.00	42,200.00
Furniture and Fixtures	279,693.00	259,837.00	19,856.00
Plant	385,606.00	336,229.00	49,377.00
<u>TOTALS</u>	<u>3,858,083.58</u>	<u>1,750,201.00</u>	<u>2,107,882.58</u>

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
<u>1999</u>			
Land	648,000.00	0.00	648,000.00
Construction in Progress	589,779.37	0.00	589,779.37
Office Trailers	101,711.00	98,157.00	3,554.00
Trucks and Autos	232,386.00	202,844.00	29,542.00
Tanks and Plant Equipment	868,982.00	820,281.00	48,701.00
Furniture and Fixtures	275,092.00	251,459.00	23,633.00
Plant	385,606.00	331,333.00	54,273.00
<u>TOTALS</u>	<u>3,101,556.37</u>	<u>1,704,074.00</u>	<u>1,397,482.37</u>

Depreciation for financial statement purposes amounted to \$46,127.00 and \$47,639.00 in 2000 and 1999, respectively.

Costs of maintenance and repairs, including minor betterments, are charged to income as costs are incurred.

Income Taxes

An analysis of the provision for income tax is as follows:

	<u>2000</u>	<u>1999</u>
Federal	\$ 0.00	\$(25,486.00)
State	\$ 800.00	\$ 800.00
<u>TOTAL</u>	<u>\$ 800.00</u>	<u>\$(24,686.00)</u>

Angeles Chemical Co., Inc.
(a C Corporation)

NOTES TO FINANCIAL STATEMENTS

April 30, 2000 and April 30, 1999

Note 2 - Accounts Receivable - The agings of accounts receivable are as follows:

	<u>2000</u>	<u>1999</u>
Current	850,424.61	724,437.78
31-60 Days	204,734.78	362,183.58
61-90 Days	74,008.11	48,106.89
Over 90 Days	345,577.97	290,996.29
Cash On Account	(149,408.47)	(96,709.02)
Sub-Total	1,325,337.00	1,329,015.52
Less: Allowance for Doubtful Accounts	(5,000.00)	(5,000.00)
<u>NET ACCOUNTS RECEIVABLE</u>	<u>1,320,337.00</u>	<u>1,324,015.52</u>

Note 3 - Short Term Credit Arrangements

The company has a short-term credit agreement with Comerica Bank, which is secured by receivables, inventory and all other assets of the company for up to eighty percent (80%) of the net amount of eligible accounts receivable. The agreement is renewable annually. The interest rate for this agreement is 1% in addition to the bank's base rate. Currently

Note 4 - Commitments & Contingencies

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining lease terms in excess of one year as of April 30, 2000.

Year Ending April 30,:	
2001	151,620.89
2002	139,177.56
2003	109,169.16
2004	104,672.16
2005	84,161.40
Later Years	84,000.00
<u>TOTAL MINIMUM PAYMENTS</u>	<u>672,801.17</u>

Angeles Chemical Co., Inc.
(a C Corporation)

NOTES TO FINANCIAL STATEMENTS

April 30, 2000 and April 30, 1999

Rent expense for financial statement purposes amounted to \$91,461.00 and \$99,006.00 in the years ended April 30, 2000 and 1999, respectively.

The Federal Government has required all single wall underground storage tanks to be either replaced with double wall tanks or shut down as of December 22, 1998. As a result during the fiscal year Angeles Chemical Co., Inc. has shut down and sealed off all underground storage tanks and is now in the process of installing above ground storage tanks at their facilities in Santa Fe Springs.

Note 5 - Term Debt

The Company long term debt at April 30, 2000 and April 30, 1999 consists of the following:

	<u>2000</u>	<u>1999</u>
Note Payable- John Locke, the principal shareholder. Monthly Payments of \$2,000.00, with interest at 7.50%. Secured by deed of Trust.	150,859.41	163,044.27
Note Payable- Arnold Rosenthal. Monthly Payments of \$2,000.00, with interest at 7.50%. Secured by deed of Trust.	150,859.41	163,044.27
Note Payable- Norman M Spieler. Monthly Payments of \$2,000.00, with interest at 7.50%. Secured by deed of Trust.	150,859.41	163,044.27
Note Payable- E.S.O.P.. Yearly Payments of \$21,000.00, a non interest bearing note.	42,852.00	63,852.00
Note Payable- Jaguar Credit Corp. Monthly Payments of \$594.03, with interest at 4.90%.	<u>6,377.02</u>	<u>13,015.43</u>
TOTAL	501,807.25	566,000.24
Less: Current Maturities	<u>66,769.51</u>	<u>64,192.99</u>
<u>TERM DEBT</u>	<u>435,037.74</u>	<u>501,807.25</u>

Angeles Chemical Co., Inc.
(a C Corporation)

NOTES TO FINANCIAL STATEMENTS

April 30, 2000 and April 30, 1999

DRAFT
FOR INTERNAL USE ONLY

As of April 30, 2000 the current maturities of long term debt for the five years ending April 30, were as follows:

2001	66,769.51
2002	64,302.60
2003	45,746.22
2004	49,297.53
2005	53,124.63
Later Years	<u>222,566.76</u>
	<u>501,807.25</u>

Note 6 - Concentration of Credit Risks

The Company maintains its cash in bank deposit accounts at a high quality financial institution. At times throughout the year the Company may maintain certain bank accounts in excess of the FDIC insured limits.

Note 7 - Going Concern

As shown in the accompanying financial statements, the Company incurred a net loss of \$578,071.53 during the year ended April 30, 2000, and as of that date, the Company's current liabilities exceeded its current assets by \$836,208.07. In addition, the Company was in violation of certain terms of its asset based financing agreement. The ability of the Company to continue as a going concern is dependent on achieving profitable results and maintaining its financing arrangement. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Sansome Street Appraisers, Inc.

APPENDIX II

Limitations of the Valuation Report

The purpose of this valuation report is to determine the fair market value of the common stock of Anchem on a minority interest basis as of plan year end April 30, 2000 for annual ESOP reporting purposes and for use in common stock transactions involving the Company's ESOP. This appraisal is valid only for the appraisal dates specified herein and valid only for the appraisal purpose specified herein. No other purpose is intended or should be inferred.

In preparing this valuation, Sansome Street Appraisers, Inc. has relied upon and assumed the accuracy and completeness of all financial, statistical and other information provided by Anchem. Sansome Street Appraisers has also considered information based upon other publicly available sources which it believes to be reliable; however, Sansome Street Appraisers, Inc. and the appraiser do not guarantee the accuracy and completeness of such information and have not independently verified the financial statements and other information. The appraiser is not aware of material omissions or understatements from management and other sources which would affect values contained in this report. The fair market value arrived at herein represents the appraiser's considered opinion based upon the facts and information presented to him. No legal opinion is expressed by this report and its accompanying documents.

This valuation report does not specifically address the financial impact, if any, of matters requiring special expertise or knowledge not generally held by business appraisers. As such, this report does not address in significant detail issues involving toxic contamination, hazardous waste, engineering and structural soundness, litigation and legal concerns, etc.

In preparing this valuation report, a variety of data and assumptions has been used. The financial information on past performance has been gathered from Anchem's financial statements for the past five fiscal years. We have included in Appendix I a copy of Anchem's most recent (draft) financial statements, prepared as a review by Singer, Traynor & Co., CPAs, for the fiscal year ended April 30, 2000 and dated August 4, 2000.

Neither the appraiser nor Sansome Street Appraisers, Inc. has any present or contemplated future financial interest in Anchem, and the fee for this valuation is not contingent upon the fair market value determined. There is no contemplated requirement for testimony or for attendance in any court or arbitration proceeding by reason of this appraisal unless specific arrangements are made for this service.

The qualifications of Eric M. Bramstedt, CFA to undertake this valuation are set forth in Appendix III. Mr. Bramstedt is a subcontractor to Sansome Street Appraisers, Inc., a wholly owned subsidiary of Menke & Associates, Inc.

APPENDIX III

Qualifications of Eric M. Bramstedt

Eric M. Bramstedt, CFA, has over 40 years experience in the field of financial analysis, equity evaluations, securities analysis and investment banking. From 1967 to 1977 Mr. Bramstedt was a senior security analyst and officer of three San Francisco based institutional research firms including Sutro & Co. He has prepared over 700 business valuations of closely held companies for merger and acquisition, gift and estate taxes, Employee Stock Ownership Plans (ESOPs), buy/sell agreements, marital dissolutions, litigation support, and others. These valuations have covered a broad scope of closely held and public companies including several *Fortune* 1000 listings. Mr. Bramstedt possesses in-depth knowledge of ESOP functions, structuring and valuation through twenty years of extensive experience with four leading ESOP design and valuation firms—Sansome Street Appraisers, Inc. (Menke & Associates); Kelso & Co.; Houlihan, Lokey, Howard & Zukin; and Private Capital Corp. This experience includes work for an employee coalition's proposed ESOP buy-out of Eastern Airlines.

Mr. Bramstedt has provided business valuation and financial consulting services to companies in manufacturing, foundry, retail trade, commercial banking, architecture and engineering, technology, distribution/manufacturer's representative, oil and oil service, health care, forest products and building materials, construction and contracting services, newspaper publishing and commercial printing. Mr. Bramstedt is a specialist in transportation, particularly trucking and short-line railroads. Clients have included major domestic and international transportation companies for acquisition, investment banking, ESOP and other applications. He was editor of *Cal-Tips*, an operating and financial study of the California less-than-truckload business.

Mr. Bramstedt is a Chartered Financial Analyst (CFA), a member of the Institute of Chartered Financial Analysts and the Association for Investment Management and Research, and a charter member and past president of the Valuation Roundtable of San Francisco. He holds a Bachelor's Degree in Economics from Stanford University. Mr. Bramstedt has appeared as an expert witness before the California Public Utilities Commission and in civil court on matters of economic damages.

NOTICE TO EMPLOYEES

ANGELES CHEMICAL COMPANY, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

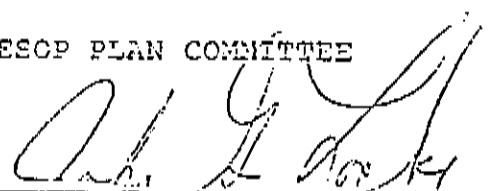
Subject: ESOP benefit distributions

From: ESOP Plan Committee

1. The timing of benefit distributions is stated in Section 5.05 of the Plan, a copy of which may be examined at any mutually convenient time in my office. Generally this provides:
 - (a) On a participant's retirement (age 65), death or disability, the benefit will be paid or commenced as soon as is practical.
 - (b) On other terminations of employment, the benefits will be paid or commenced at such time as is determined by the Plan Committee, but not later than the participant's age 70½.
2. Our purpose here is to state the Plan Committee's intended practice respecting benefit distributions:
 - (a) On a participant's retirement (age 65), death or disability, the benefit will be paid or commenced as soon as is practical, just as the plan provides.
 - (b) On other terminations of employment, the benefits will be paid in five equal annual installments; commencing on the first anniversary of the participant's termination of employment.
3. This practice shall remain in effect until further notice.

Date: 4/23/87, 1987

ESOP PLAN COMMITTEE


John G. Locke, Chairman

provision of this Plan or the Trust, all Exempt Loans to the Trust must meet the requirements of and be in compliance with Section 3.07 of the Trust.

- 4.04 - Voting of Company Stock - If any Company Stock which has voting rights is held by the Trustee, then the Committee shall direct the Trustee on the voting of such Stock except when the terms of the Trust require such Stock to be voted as instructed by the Participants.

Article V - Benefits

- 5.01 - Vesting of Interests - Each Participant and Inactive Participant shall have a vested interest in a portion of his Accounts as follows:

(a) In his Account A:

- (1) 100% upon his retirement on or after his Normal Retirement Age.
- (2) If death benefits are provided by the Specifications, then 100% upon his death.
- (3) If disability benefits are provided by the Specifications, then 100% upon termination of his employment because of his Disability. If such benefits are so provided, then a Participant is entitled to disability benefits under this Plan if, and only if, he is entitled to receive primary Social Security benefits as a disabled employee under the Social Security Act and has applied for such benefits. A Participant who has applied for disability benefits under the Social Security Act is entitled to disability benefits under this Plan pending disposition of such application by the Social Security Administration.
- (4) As provided in the Specifications upon any Break in Service (other than his retirement on or after his Normal Retirement Age and, if benefits are provided, on his death or his Disability).
 - (A) Selection of a vesting schedule shall be restricted to the following choices, each to have the indicated limitation, or a more rapid form of vesting:

- (i) 10 Year - 100% - If this vesting schedule is selected, a Participant with at least 10 Years of Service shall be 100% vested in his Account A.
- (ii) 5 Years - 15 Years - If this vesting schedule is selected, a Participant with at least the indicated Years of Service shall have the indicated percentage of vesting in his Account A:

<u>Years of Service</u>	<u>Vesting</u>
5	25%
6	30
7	35
8	40
9	45
10	50
11	60
12	70
13	80
14	90
15 or more	100

- (iii) Rule of 45 - If this vesting schedule is selected, a Participant with at least the indicated years of age and Years of Service shall have the indicated percentage of vesting in his Account A:

<u>Years of Service</u>	<u>Sum of Years of Service plus years of age</u>	<u>Vesting</u>
5	45	50%
6	47	60
7	49	70
8	51	80
9	53	90
10	55	100

Provided, that the vested percentage must at least equal 50% upon completion of 10 Years of Service plus 10% for each year of Service thereafter.

- (iv) 4-40 Vesting - If this vesting schedule is selected, a Participant having the indicated Years of Service shall have the indicated percentage of vesting in his Account A:

<u>Years of Service</u>	<u>Vesting</u>
Less than 4	0%
4	40
5	45
6	50
7	60
8	70
9	80
10	90
11 or more	100

- (iv) Top-heavy Vesting - If this vesting schedule is selected, a Participant having the indicated Years of Service shall have the indicated percentage of vesting in his Account A:

<u>Years of Service</u>	<u>Vesting</u>
Less than 2	0%
2	20
3	40
4	60
5	80
6	100

- (B) In computing the period of Service for purposes of Paragraph (A), all Years of Service shall be counted except that with respect to an Employee who has incurred a Break in Service:

- (i) In the case of a Participant who has 5 consecutive 1-year Breaks in Service, Years of Service after such 5-year period shall not be required to be taken into account for purposes of determining the nonforfeitable percentage of his accrued benefit derived from Employer contributions which accrued before such 5-year period.

(ii) In the case of a nonvested Participant, Years of Service before any period of consecutive 1-year Breaks in Service shall not be taken into account if the number of consecutive 1-year Breaks in Service within such period equals or exceeds the greater of -

(a) 5; or

(b) The aggregate number of Years of Service before such period.

(iii) For purposes of paragraph (ii) -

(a) If any Years of Service are not required to be taken into account by reason of a period of Breaks in Service, such Years of Service shall not be taken into account in applying paragraph (ii) to a subsequent period of Breaks in Service.

(b) The term "nonvested Participant" means a Participant who does not have any nonforfeitable right under the Plan to an accrued benefit derived from Employer contributions.

(5) Notwithstanding any other provision of this Plan, if the Employer amends or converts any other Plan to this Plan, then the nonforfeitable percentage of the Accrued Benefit derived from Employer contributions (determined as of the later of the date such amendment is adopted, or the date such amendment becomes effective) of any Employee who was a Participant in such amended Plan shall not be less than such nonforfeitable percentage computed under such amended Plan without regard to such amendment.

(b) In His Account B: 100%

- 5.02 - Measure of Benefits - The benefit distributable to a Participant or Inactive Participant upon the termination of his employment, or to his beneficiary or beneficiaries in the event of his death, shall be the amount of his Accounts multiplied by the percentage of vested interest determined in accordance with Section 5.01. Provided, however, that a Participant or Inactive Participant whose participation is terminated retroactively in accordance with Section 1.02(ii)(3)(C) shall only be entitled to the amount credited to his Accounts as of the date he should have returned to work, multiplied by the percentage of vested interest determined under Section 5.01 as of such date.
- 5.03 - Actuarial Assumptions - Anything in this Plan to the contrary notwithstanding, whenever the amount of any benefit is to be determined on the basis of actuarial assumptions, such assumptions shall be specified by an actuary independent of the Committee, the Employer and the Trustee, and neither the Committee, the Employer nor the Trustee shall have any discretion with respect to such assumptions.
- 5.04 - Payment of Benefits
- (a) Payment of Participant's or Inactive Participant's distributable benefit may be made in cash or shares of Company Stock, as selected by the Committee; provided, however, that each such Participant and Inactive Participant shall have the right, in his sole discretion, to demand that such distributable benefit be distributed entirely in whole shares of Company Stock with the value of any fractional shares to be paid in cash.
 - (b) In the event that Company Stock acquired with the proceeds of an Exempt Loan which are available for distribution consists of more than one class, then distribution of such Company Stock, if made, must consist of substantially the same proportion of each such class of Company Stock.
 - (c) If the Committee determines that a person entitled to any distribution is physically unable or mentally incompetent to handle such distribution, it may direct the Trustee to apply such distribution for such person's benefit.

- (d) The Trustee shall make distribution from the Trust only on instructions from the Committee.

5.05 - Method of Payment

- (a) The manner of paying a Participant's, which for purposes of this Section shall include an Inactive Participant, distributable benefit shall be selected by the Committee from among the following forms, after consultation with the Participant or in the event of his death, with his beneficiary.

- (1) A lump sum; provided, however, if the present value of the Accrued Benefit exceeds \$3,500, then such distribution shall not be made unless the Participant and the spouse of the Participant (or where the Participant has died, the surviving spouse) consent in writing to the distribution.

- (2) In substantially equal annual, quarterly or monthly installments together with dividends or other income either paid or accrued thereon and any gains or losses, realized or unrealized, attributable thereto. The payments may be based on a fixed number of payments or on a fixed percentage of the Participant's Account. However, in no event shall the payments be computed on the basis equivalent to the payment of annuity benefits or of a longer period of time than the life expectancy of the Participant and his designated beneficiary and no mode of distribution may be selected where it is actuarially contemplated that a Participant will receive during his life expectancy less than 50% of his distributable benefit.

- (b) Required distributions:

- (1) Except as provided in paragraph (2) -

- (A) The entire interest of each Participant either:

- (i) Will be distributed to such Participant not later than the required beginning date; or

- (ii) Will be distributed beginning not later than the required beginning date -
 - (a) Over the life of such Participant or over the lives of such Participant and a designated beneficiary; or
 - (b) Over a period not extending beyond the life expectancy of such Participant or the life expectancy of such Participant and a designated beneficiary.

The term "required beginning date" means April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains the age of 70½, or (ii) the calendar year in which the Participant retires; provided, that (ii) shall not apply to a 5% owner (as defined by the "top heavy" rules of this Plan) with respect to the Plan Year ending in the calendar year in which the Participant attains 70½.

- (B) If the distribution of the Participant's interest has begun in accordance with subparagraph (A) (ii) and the Participant dies before his entire interest has been distributed to him, the remaining portion of such interest will be distributed at least as rapidly as under the method of distribution being used under subparagraph (A) (ii) as of the date of his death.
- (C) If a Participant dies before the distribution of his interest has begun in accordance with subparagraph (A) (ii):
 - (i) The entire interest of the Participant will be distri-

buted within 5 years after his death.

(ii) Clause (i) shall not apply if -

(a) Any portion of the Participant's interest is payable to (or for the benefit of) a designated beneficiary; and

(b) Such portion will be distributed over the life of such designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary); and

(c) Such distributions begin not later than one year after the date of the Participant's death (or such later date as may be prescribed by Treasury Regulations).

(iii) If the designated beneficiary referred to in clause (ii)(a) is the surviving spouse of the Participant -

(a) The date on which the distributions are required to begin under clause (ii)(c) shall not be earlier than the date on which the Participant would have attained age 70½; and

(b) If the surviving spouse dies before the distributions to such spouse begin, this sub-paragraph (C) shall be applied as if the surviving spouse were the Participant.

(2) If a Participant has delivered a written designation to the Committee before January 1, 1984, and such designation is neither amended nor revoked, then

paragraph (1) shall not apply and this paragraph (2) shall apply. Unless the Participant otherwise elects, the payment of benefits under the Plan to the Participant will begin not later than the 60th day after the latest of the close of the Plan Year in which -

- (A) The date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified under the Plan;
 - (B) Occurs the 10th anniversary of the year in which the Participant commenced participation in the Plan; or
 - (C) The Participant terminates his service with the Employer.
- (c) Subject to the provisions of the above Paragraph (b), the distributable benefit of a Participant shall be paid or commence as soon after the Participant's retirement, death or disability as is practical. On any other termination of employment such benefit shall be paid or commence at such time as shall be determined by the Committee, but in no event later than the payment dates provided by the above Paragraph (b).
- (d) Benefit installments payable to a Participant but not completed because of his death shall be paid to his beneficiary.
- (e) If the Committee directs a distribution to a Participant at a time when the Participant is less than 100 percent vested in his Employer contributions under the Plan and there is no Break in Service prior to the relevant time, then:
- (1) A separate account must be established for such Participant's interest in the Plan as of the time of such distribution; and
 - (2) At any relevant time the Participant's vested portion of the separate account will not be less than an amount ("X") determined by the formula: $X = P(AB + (R \times D)) - (R \times D)$. For purposes of applying the above formula: P is the

vested percentage at the relevant time; AB is the account balance at the relevant time; D is the amount of the distribution; and R is the ratio of the account balance at the relevant time to the account balance after distribution.

- (f) In the event that a former Participant's entire distributable benefit is not distributed to him or his beneficiary on or before the Anniversary Date of the Plan Year in which he incurs a Break in Service, then the Committee shall instruct the Trustee to transfer the benefit not distributed to a separate trust account for the credit of such former Participant or his beneficiary. The Trustee shall, in accordance with the terms of the Trust, deposit such benefit retained in the separate trust account in a savings account in either a commercial bank insured by the Federal Deposit Insurance Corporation or a savings and loan association insured by the Federal Savings and Loan Insurance Corporation. Interest earned upon such transferred benefit shall be added to the principal thereof and such accumulated benefits shall thereafter continue to be administered separately in this manner until such time as the Committee, in its discretion and in accordance with Section 5.05(b), determines to distribute such benefit to the Participant or his beneficiary.

5.06 - Designation of Beneficiary - Upon his initial participation, each Participant may designate in writing the beneficiary to receive the benefits provided by this Plan in the event of his death. Provided, however, the Participant's non-forfeitable accrued benefit shall be payable in full, on the death of the Participant, to the Participant's surviving spouse (or, if there is no surviving spouse or the surviving spouse consents in the manner required under section 417(a)(2)(A), to a designated beneficiary); such Participant does not elect a payment of benefits in the form of a life annuity, and with respect to such Participant, this plan is not a direct or indirect transferee of a plan which is a defined benefit plan, a defined contribution plan which is subject to the funding standards of IRC section 412 or any other defined contribution plan to which the provisions of IRC section 401(a)(11)(B)(iii) applied with respect to the Participant.

- (a) Such designation shall be on a form provided for that purpose by the Committee.
- (b) Such designation may be changed at any time and from time to time by the Participant, by the filing of a similar form with the Committee, without the consent of any beneficiary. Provided, however, that in the event that the Participant is married, the designated beneficiary shall be the spouse of the Participant unless the spouse consents in writing to the designation of another beneficiary.
- (c) The Committee shall be entitled to rely on the designation last filed by the Participant prior to his death.
- (d) In the event no designation shall be in effect at the time of a Participant's death, or that all designated beneficiaries shall have predeceased the Participant, then his beneficiary shall be his surviving spouse, and if he leaves no surviving spouse then the executors or administrators of his estate.

5.07 - Right of First Refusal - Subject to the provisions of Subsection (f) below, shares of Company Stock distributed to a Participant or Inactive Participant, his beneficiary, executor, or administrator, spouse, next of kin or other heir, (herein collectively referred to as the "Participant") shall be subject to a right of first refusal. Such right of first refusal shall provide that:

- (a) Prior to any sale of such shares to a prospective purchaser, the shares must first be offered by written offer to the Trustee and to the Company.
- (b) The written offer shall be delivered to both the Trustee and the Company. The offer shall contain a statement that the Participant has received a bona fide offer for his shares from a prospective purchaser; the name and address of the prospective purchaser; the price and terms of the intended transfer; and an offer to sell such shares to the Trustee and the Company at the price determined under Subsection (c) below and on the terms offered by the prospective purchaser.
- (c) The price to be paid for such shares of Company Stock shall be the greater of:

- (1) The price offered to the Participant by the prospective purchaser, other than the Employer or the Trustee, making a bona fide offer; or
- (2) The fair market value of such Company Stock determined as of:
 - (A) The date the Participant's offer is made to the Trustee and the Company if said Participant is a "Disqualified Person" as defined in Section 4975(e)(2) of the Internal Revenue Code or a "Party in Interest" as defined in Section 408(e) of the Employee Retirement Income Security Act of 1974; or
 - (B) The most recent preceding Valuation Date of the Plan if said Participant is not such a Disqualified Person or Party in Interest.

In the event the price offered to the Participant by a prospective purchaser making a bona fide offer exceeds the fair market value of the Company Stock, then the Trustee shall not purchase such Company Stock.

- (d) The Trustee and the Company shall have 14 days after receipt of the offer in which to elect to accept said offer. The election to accept the offer by either the Trustee or the Company shall be made in writing and the acceptance shall either be delivered personally to the Participant or mailed to the Participant at his last known address as specified on the employment records of the Company.
- (e) If both the Trustee and the Company shall elect to purchase the Company Stock being offered by the Participant, the Trustee's acceptance shall have priority over the acceptance of the Company and the Participant shall sell such Company Stock to the Trustee. If both the Trustee and the Company shall fail to accept such offer within said 14 day period, then the Participant's offer shall lapse and the Participant shall be free to make the transfer described in such offer. Provided, however, that if such transfer is not effected within 60 days following the

expiration of such offer, then such shares shall be subject to the reapplication of this Section.

- (f) This Section shall not be applicable to shares of Company Stock which are publicly traded at the time the right may be exercised.
- (g) This Section shall continue to apply with respect to shares of Company Stock distributed under this Plan notwithstanding the fact that the Plan should at any time cease to be an employee stock ownership plan as defined in Section 4975 of the Internal Revenue Code of 1954, as amended.

5.08 - Put Option

- (a) Subject to the limitations set forth in Subsection (b) below concerning Publicly Traded Stock, each Participant or Inactive Participant or his beneficiary, donee or any other person, including an estate or its distributee to whom Company Stock passes by reason of his death, or a Trustee of an individual retirement account, as defined at Section 408 of the Internal Revenue Code of 1954, to which such Company Stock is transferred (herein collectively referred to as the "Participant"), shall be granted, at the time the shares of Company Stock are distributed to any such Participant, a put option to sell such shares to the Company or the Trustee. The option to sell shall:
 - (1) Be exercisable during a period beginning on the date such Company Stock is distributed to the Participant and ending 15 months thereafter. The expiration date shall be extended by any time the holder is not able to exercise said option because the Company, or other person bound said option, is prohibited from honoring it under applicable federal or state law.
 - (2) Specify that the option shall be exercised by the Participant notifying the Company in writing that the option is being exercised.
 - (3) Specify that the sales price for any shares sold hereunder shall be the fair

ANGELES
 1913 ESDP PAYMENT SCHEDULE

Item	Date	Value	Jan	Feb	Mar	Apr
1-1-11	BARRY	331	331.00	191.00		
2-1-12	BELL	31,016	31,016.00			
3-1-13	CALL BELL	22,268				
4-1-14	ELIOT	385	385.00	780.00		
5-1-15	FLORIS	8975	8975.00	17949.00		
6-1-16	AL CLEMON	453	453.00	1814.00		
7-1-17	MALE DEC	2174	2173.00			
8-1-18	MALE DEC	510	519.00			
9-1-19	MALE DEC	343	343.00	686.00		
10-1-20	PAID DEC	483	480.00			
11-1-21	QUINN	296	276.00	1107.00		
12-1-22		4,246,909	2255.00			

Item	Date	Value	May	June	July	Aug	Sept	Oct	Nov	Dec
13-1-23								6623		
14-1-24								6042.40		
15-1-25					4944					
16-1-26										
17-1-27										
18-1-28										
19-1-29										
20-1-30										
21-1-31										
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36-1-46										
37-1-47										
38-1-48										
39-1-49										
40-1-50										

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: QUINN, PETER A.

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	35.24267	\$1,698.70	\$-.46	\$1,699.16
CONTRIBUTIONS				
INVESTMENTS	.00948	.46	-.46-	
UNREALIZED GAIN/LOSS		315.51-		315.51-
FORFEITURES	28.20170-	1,106.92-		1,106.92-
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS				
BALANCES AT 4/30/87	7.05045	\$276.73	\$-.00	\$276.73
VESTED PERCENTAGE		100.0000%		
VESTED INTEREST VALUE		\$276.73		
COST BASIS OF SHARES		\$295.62		
PER SHARE VALUE AT 4/30/87		\$39.25000		

BR001925

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: PHILLIPS, JOANN

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	31.70499	\$1,528.18	\$8.98	\$1,537.16
CONTRIBUTIONS			1,204.52	1,204.52
INVESTMENTS	24.90959	1,200.64	1,200.64-	
UNREALIZED GAIN/LOSS		506.70-		506.70-
FORFEITURES	4.59322	180.28		180.28
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS			.66-	.66-
BALANCES AT 4/30/87	61.20780	\$2,402.40	\$12.20	\$2,414.60
VESTED PERCENTAGE		20.0000%		
VESTED INTEREST VALUE		\$482.92		
COST BASIS OF SHARES		\$2,538.90		
PER SHARE VALUE AT 4/30/87		\$39.25000		

BR001926

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: NELSON, WARREN D.

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	43.45888	\$2,094.72	\$12.30	\$2,107.02
CONTRIBUTIONS				
INVESTMENTS	.25256	12.17	12.17-	
UNREALIZED GAIN/LOSS		391.22-		391.22-
FORFEITURES				
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS			.01-	.01-
BALANCES AT 4/30/87	43.71144	\$1,715.67	\$12	\$1,715.79
VESTED PERCENTAGE 20.0000%				
VESTED INTEREST VALUE \$343.16				
COST BASIS OF SHARES \$1,920.77				
PER SHARE VALUE AT 4/30/87 \$39.25000				

BR001927

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: MOLINA, JR., DANIEL

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	34.39673	\$1,657.92	\$9.74	\$1,667.66
CONTRIBUTIONS			1,237.03	1,237.03
INVESTMENTS	25.59257	1,233.56	1,233.56-	
UNREALIZED GAIN/LOSS		536.90-		536.90-
FORFEITURES	4.71719	185.15		185.15
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS			.67-	.67-
BALANCES AT 4/30/87	64.70649	\$2,539.73	\$12.54	\$2,552.27
VESTED PERCENTAGE		20.0000%		
VESTED INTEREST VALUE		\$510.45		
COST BASIS OF SHARES		\$2,688.57		
PER SHARE VALUE AT 4/30/87		\$39.25000		

BR001928

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: MELENDEZ, EVELYN Y.

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	138.13701	\$6,658.20	\$15.55	\$6,673.75
CONTRIBUTIONS				
INVESTMENTS	.31916	15.38	15.38-	
UNREALIZED GAIN/LOSS		1,239.12-		1,239.18-
FORFEITURES	63.07211-	3,260.58-	.19-	3,260.74-
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS			.01-	.01-
BALANCES AT 4/30/87	55.38406	\$2,173.82	\$0.00	\$2,173.82
VESTED PERCENTAGE		100.0000%		
VESTED INTEREST VALUE		\$2,173.82		
COST BASIS OF SHARES		\$2,294.08		
PER SHARE VALUE AT 4/30/87		\$39.25000		

MELENDEZ, EVELYN Y.

SOCIAL SECURITY NO:
547-29-6049/00

PARTICIPANT STATUS (XX)
PLAN COMPENSATION:

BIRTHDATE 5/03/61
TERMINATION 9/24/80
AGE AS OF 4/30/87 25
EMPLOYMENT DATE 9/17/83
ENTRY DATE 4/30/84
VESTING DATE 4/30/84
YEARS OF SERVICE 1031
VESTING HOURS (C)

RETIREMENT DATE:

NORMAL 3/03/26

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STATEMENT AND REPORT
ANY CHANGE TO YOUR
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REPORT AS OF 4/30/87

BR001929

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: MCCLENDON, RAYMOND L.

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	57.76508	\$2,764.28	\$.76	\$2,785.04
CONTRIBUTIONS				
INVESTMENTS	.01553	.75	.75-	
UNREALIZED GAIN/LOSS		517.14-		517.14-
FORFEITURES	46.22445-	1,814.31-	.01-	1,814.32-
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS				
BALANCES AT 4/30/87	11.55616	\$453.58	\$.00	\$453.58
VESTED PERCENTAGE		100.0000%		
VESTED INTEREST VALUE		\$453.58		
COST BASIS OF SHARES		\$484.54		
PER SHARE VALUE AT 4/30/87		\$39.25000		

MCCLENDON, RAYMOND L.

SOCIAL SECURITY NO:
563-30-7444/00

PARTICIPANT STATUS (XX)
PLAN COMPENSATION:

BIRTHDATE 7/23/29
TERMINATION 10/11/83
AGE AS OF 4/30/87 57
EMPLOYMENT DATE 8/06/84
ENTRY DATE 4/10/85
VESTING DATE 4/30/85
YEARS OF SERVICE 102
VESTING HOURS 101

RETIREMENT DATE:

NORMAL 7/23/94

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BR001930

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: FLORES, JOSE E.

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 9/01/86	210.51780	\$10,146.96	\$24.40	\$10,171.36
CONTRIBUTIONS				
INVESTMENTS	-50084	24.14	24.14	
UNREALIZED GAIN/LOSS		1,888.62		1,888.62
FORFEITURES				
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS			.01	.01
BALANCES AT 4/30/87	211.01864	\$8,232.48	\$4.25	\$8,236.73
VESTED PERCENTAGE		100.0000%		
VESTED INTEREST VALUE		\$8,236.73		
CGST BASIS OF SHARES		\$8,783.54		
PER SHARE VALUE AT 4/30/87		\$39.25000		

FLORES, JOSE E.

SOCIAL SECURITY NO:
564-41-5695/00

PARTICIPANT STATUS (TI)
PLAN COMPENSATION:

BIRTHDATE 9/02/61
TERMINATION 1/23/87
AGE AS OF 4/30/87 25
EMPLOYMENT DATE 6/24/81
ENTRY DATE 11/01/82
VESTING DATE 4/30/82
YEARS OF SERVICE (06)
VESTING HOURS (4)

RETIREMENT DATES

NORMAL 9/02/26

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BR001931

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: FLORES, JOSE E.

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/80	44.06507	\$2,123.96	\$.96	\$2,124.94
CONTRIBUTIONS				
INVESTMENTS	.01972	.95	.95-	
UNREALIZED GAIN/LOSS		394.57-	.01-	394.58-
FORFEITURES				
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS				
BALANCES AT 4/30/87	44.08579	\$1,730.36	\$.00	\$1,730.36
VESTED PERCENTAGE		40.0000%		
VESTED INTEREST VALUE		\$692.14		
COST BASIS OF SHARES		\$1,653.95		
PER SHARE VALUE AT 4/30/87		\$39.25000		

FLORES, JOSE E.

SOCIAL SECURITY NO:
564-41-5695/01

PARTICIPANT STATUS (1)
PLAN COMPENSATION:

BIRTHDATE 9/02/61
TERMINATION 1/31/83
AGE AS OF 4/30/87 25
EMPLOYMENT DATE 6/22/81
ENTRY DATE 11/01/82
VESTING DATE 4/30/82
YEARS OF SERVICE (03)
VESTING HOURS (C)

RETIREMENT DATE:

NORMAL 9/02/26

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ANY CHANGE TO YOUR
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REPORT AS OF 4/30/87

BR001932

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: ELIAS, ROBERT

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	29.43317	\$1,418.68	\$8.33	\$1,427.01
CONTRIBUTIONS			791.76	791.76
INVESTMENTS	16.42370	791.62	791.62	
UNREALIZED GAIN/LOSS		410.42		410.42
FORFEITURES	3.01925	118.51		118.51
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS			.43	.43
BALANCES AT 4/30/87	40.87612	\$1,918.39	\$8.04	\$1,926.43
VESTED PERCENTAGE		20.0000%		
VESTED INTEREST VALUE		\$385.29		
COST BASIS OF SHARES		\$2,048.66		
PER SHARE VALUE AT 4/30/87		\$39.25000		

ELIAS, ROBERT

SOCIAL SECURITY NO:
556-53-7502/00

PARTICIPANT STATUS (CP)
PLAN COMPENSATION:
58,331.24

BIRTHDATE 11/03/61
TERMINATION
AGE AS OF 4/30/87 25
EMPLOYMENT DATE 6/25/85
ENTRY DATE 5/01/85
VESTING DATE 4/30/86
YEARS OF SERVICE (02)
VESTING HOURS (M)

RETIREMENT DATE:

NORMAL 11/03/26

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ANY CHANGE TO YOUR
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REPORT AS OF 4/30/87

BR001933

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: CASEBEER, JENNIFER C.

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	128.70539	\$6,203.60	\$21.55	\$6,225.15
CONTRIBUTIONS			\$15.76	\$15.76
INVESTMENTS	11.02947	\$31.62	\$31.62	
UNREALIZED GAIN/LOSS		1,250.63		1,250.63
FORFEITURES	1.96676	77.20		77.20
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS			.29	.29
BALANCES AT 4/30/87	141.70162	\$5,561.79	\$5.40	\$5,567.19
VESTED PERCENTAGE		40.0000%		
VESTED INTEREST VALUE		\$2,226.86		
COST BASIS OF SHARES		\$6,051.14		
PER SHARE VALUE AT 4/30/87		\$35.25000		

CASEBEER, JENNIFER C.

SOCIAL SECURITY NO:
568-88-1903/00

PARTICIPANT STATUS (CP)
PLAN COMPENSATION:
\$5,427.02

BIRTHDATE 1/11/36
TERMINATION
AGE AS OF 4/30/87 31
EMPLOYMENT DATE 7/02/84
ENTRY DATE 4/30/85
VESTING DATE 4/30/85
YEARS OF SERVICE (C3)
VESTING HOURS (M)

RETIREMENT DATE:

NORMAL 1/11/21

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REPORT AS OF 4/30/87

BR001934

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: BELL, RONALD H.

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	705.18555	\$33,989.94	\$50.66	\$34,040.60
CONTRIBUTIONS			3,416.15	3,416.15
INVESTMENTS	71.16389	3,430.10	3,430.10	
UNREALIZED GAIN/LOSS		6,946.33-		6,946.33-
FORFEITURES	13.02689	511.31	.01	511.32
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS			1.87-	1.87-
BALANCES AT 4/30/87	789.37633	\$30,953.02	\$34.85	\$31,017.87
VESTED PERCENTAGE		100.0000%		
VESTED INTEREST VALUE		\$31,017.87		
COST BASIS OF SHARES		\$31.194.87		
PER SHARE VALUE AT 4/30/87		\$39.25000		

BELL, RONALD H.

SOCIAL SECURITY NO:
560-46-3104/00

PARTICIPANT STATUS (CP)
PLAN COMPENSATION:
\$35,946.97
BIRTHDATE 8/19/38
TERMINATION
AGE AS OF 4/30/87 48
EMPLOYMENT DATE 3/06/72
ENTRY DATE 4/30/79
VESTING DATE 4/30/73
YEARS OF SERVICE (15)
VESTING HOURS (M)

RETIREMENT DATE:

NORMAL 9/19/02

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ANY CHANGE TO YOUR
SUPERVISOR

REPORT AS OF 4/30/87

BR001935

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
APRIL 30, 1987

PARTICIPANT NAME: BARRY, LAURIE

	-SHARES-	VALUE -OF SHARES-	OTHER -INVESTMENTS-	-TOTAL-
BALANCES AT 5/01/86	8.43673	\$406.65	\$-00	\$406.65
CONTRIBUTIONS				
INVESTMENTS				
UNREALIZED GAIN/LOSS		75.51-		75.51-
FORFEITURES				
DISTRIBUTIONS				
EARNINGS- OTHER ASSETS				
EXPENSES- OTHER ASSETS				
BALANCES AT 4/30/87	8.43673	\$331.14	\$-00	\$331.14
VESTED PERCENTAGE		100.0000%		
VESTED INTEREST VALUE		\$331.14		
COST BASIS OF SHARES		\$316.51		
PER SHARE VALUE AT 4/30/87		\$39.25000		

BR001936

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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.I.A.	5.93989		.00321-	5.87700-				.05289
C/R								
P/S								
C.S.V.								
SHARES	20.98114			.12193				21.10307
COST	922.89741			4.85886				927.75627
F.H.V.	1011.29102		188.87292	5.87700-				928.29550
SHARES								
COST								
F.H.V.								
SHARES								
COST								
F.H.V.								
557-61-2594/00	BIRTH: 12/25/61	TERM: 5/05/86	VESTED: 4/30/86	EC: CP	V.YRS: 01	VEST X	VEST HRS: C	
ALANILY JESUS J.	HIRE: 9/24/85	N.RET: 12/25/86	ENTRY: 5/01/85	SC: AL	P.YRS: 00	PLAN COMP:		\$1.00
O.I.A.								
C/R	.00003							.00003
P/S								
C.S.V.								
SHARES	8.43873							8.43873
COST	316.51447							316.51447
F.H.V.	406.65052		75.50897-					331.14155
SHARES								
COST								
F.H.V.								
SHARES								
COST								
F.H.V.								
372-29-8284/00	BIRTH: 7/19/58	TERM: 10/31/84	VESTED: 4/30/84	EC: XI	V.YRS: 02	VEST X	VEST HRS: C	
BARRY LAURIE	HIRE: 10/17/83	N.RET: 7/15/83	ENTRY: 4/30/84	SC: TN	P.YRS: 01	PLAN COMP:		\$1.00

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DATE - 2/26/88
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE
O.T.A.	50.66487		1.97484	3430.09936	3416.14996		.00832	34.54895
C/R	.00002							.00002
P/S								
C.S.V.								
SHARES	705.18555			71.16389		13.02689		789.37633
COST	27929.73829			2717.38199		848.28223		31196.87047
F.M.V.	33989.44321		6946.32774	3430.09936		311.30938		30933.02090
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
560-46-3104/00	BIRTH: 9/19/38 TERM:		VESTED: 4/30/73	FC: CP	V-YRS: 15	VEST & LCO	VEST HRS: M	
DELU, RONALD H.	HIRE: 3/06/72 N-RET: 9/19/03		ENTRY: 4/30/79	SC: AC	P-YRS: 06	PLAN COMPI	135,946.07	
O.T.A.	24.01289		1.01369	1634.51881	1830.33681		.00451	19.84149
C/R								
P/S								
C.S.V.								
SHARES	383.11347			33.47530		7.03601		423.62478
COST	15035.99093			1469.43688		226.97694		16302.40275
F.M.V.	18466.07003		3773.22201	1854.51903		216.94343		19554.31530
SHARES								
COST								
F.M.V.								
560-78-9046/03	BIRTH: 3/03/40 TERM:		VESTED: 4/30/80	FC: CP	V-YRS: 08	VEST & LCO	VEST HRS: M	
RENSON, JEANETTE E.	HIRE: 8/22/79 N-RET: 3/03/13		ENTRY: 4/30/80	SC: AC	P-YRS: 06	PLAN COMPI	819,476.18	

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ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	PREFEITURES	BALANCE 4/30/87
O.I.A.	168.44879		5.23601-	9579.49054-	9513.57987		.02317	97.32584
C/R	.00001-						.00001-	.00002-
P/S								
C.S.V.								
SHARES	3487.31376			198.74466			36.27837	3722.33677
COST	134919.03957			7590.34501			1423.92556	145038.28573
P.M.V.	168086.52431		32990-22379-	9579.49168				146191.71614
SHARES								
COST								
P.M.V.								
SHARES								
COST								
P.M.V.								
549-38-9548/0J	BIRTH: 12/07/31	TERM: 12/07/96	VESTED: 4/30/72	FC: CP	V.YRS: 16	VEST: 3.100	VEST HRS: 1100	VEST HRS: 1100
BERG, ROBERT U.	HIRE: 11/01/71	N.RET: 12/07/96	ENTRY: 4/30/79	SC: AC	P.YRS: 08	PLAN COMP: 100%		
C.I.A.	15.09431	928.91000-		913.91569				
C.S.V.								
SHARES	96.04881			18.95883-			77.08785-	
COST	4132.0073488			815.43633-			3316.43101-	
P.M.V.	4629.44958		685.93578-	913.81569-			3025.69811-	
SHARES								
COST								
P.M.V.								
564-66-3082/0C	BIRTH: 10/08/43	TERM: 5/09/86	VESTED: 4/30/85	FC: PX	V.YRS: 02	VEST: 1	VEST HRS: 0	VEST HRS: 0
BURNETT, JR., CHARLES	HIRE: 8/27/85	N.RET: 10/08/13	ENTRY: 4/30/85	SC: AC	P.YRS: 00	PLAN COMP: 100%		

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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE
0-I-A-								
C/R								
P/S								
C.S.V.								
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
559-06-3518/00	BIRTH: 10/09/55	TERM: 8/26/83	VESTED: 4/30/85	FC: XI	V.YRS: 01	VEST % 100	VEST HRS: 0	
CARTER, JODY C.	HIRE: 12/07/81	N.RET: 10/09/20	ENTRY: 4/30/82	SC: TM	P.YRS: 01	PLAN COMP:		
0-I-A-	21,55154		29058	531-02029	515,75911		000126	5,40108
C/R								
P/S								
C.S.V.								
SHARES	125-72339		11-02947			1-26676		141-70162
COST	5547.12827		421.23129			82-77785		6951.13740
F.M.V.	6203.60006		1250.62711	531.52031		77.19521		3361.78947
SHARES								
COST								
F.M.V.								
563-88-9903/00	BIRTH: 1/11/56	TERM: 1/11/21	VESTED: 4/30/85	FC: CP	V.YRS: 03	VEST % 40	VEST HRS: 0	
CASBERRY, JENNIFER C.	HIRE: 7/02/84	N.RET: 1/11/21	ENTRY: 4/30/85	SC: AC	P.YRS: 01	PLAN COMP:		45,427.02

DATE - 2/26/83
 PROG ID - PP-4460
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE
4/30/87								

BR001940

SHARES
COST
P.M.V.
500-88-8903/00 BIRTH: 1/11/36 TERM: VESTED: 4/30/85 FC: CP V-YRS: 03 VEST: 4 40 VEST: MRS: M
CASEBEER, JENNIFER C. HIRE: 7/02/84 N-RET: 1/11/21 ENTRY: 4/30/85 SC: AC P-YRS: 01 PLAN COMP: \$5,427.02

DATE - 7/26/88
PROG ID - PP-4400
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WSN ID - W4

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
ALLOCATION SUMMARY - 4/30/87

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BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTION RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.T.A.		42504-	777.61935-	785.94294		.00191	7.99044
C/R							
P/S							
C-S-V-							
SHARES		16.13318				2.99706	19.13024
COST		618-14959				26-16158	442-28117
P.M.V.		144-39212-	777.61944			117-63443	750-36175
SHARES							
COST							
P.M.V.							

548-58-4974/00 BIRTH: 11/03/32 TERM: VESTED: 4/30/87 FC: AP V-YRS: 01 VEST: 3 VEST: MRS: M
CHAPMAN, LEATRICE HIRE: 10/01/86 N-RET: 11/03/97 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$3,270.00

O.T.A.		31246-	571.65182-	577.71073		.00141	5.80785
C/R							
P/S							
C-S-V-							
SHARES		11.88000				2.20123	14.08123
COST		452-95045				92-73054	343-68099
P.M.V.		106-14698-	571.65188			86-47667	551-55107
SHARES							
COST							
P.M.V.							

505-35-4384/00 BIRTH: 7/28/37 TERM: VESTED: 4/30/87 FC: AP V-YRS: 01 VEST: 4 VEST: MRS: M
CHAVEZ, ANTONIO HIRE: 10/01/86 N-RET: 5/28/20 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$4,079.53

DATE - 2/26/88
PROC ID - PP4460
TIME - 11:33 AM
USER ID - MARY
WSTN ID - W4

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.T.A.								
C/P								
P/S								
C.S.V.								
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
572-74-9565/00	BIRTH: 3/07/53	TERM: 8/07/78	VESTED: 0/00/00	FC: CP	V.YRS: 00	VEST 1	VEST HRS: 0	
CRYAN, JEFFREY T.	HIRE: 4/30/85	N.RET: 8/07/78	ENTRY: 4/30/85	SC: AC	P.YRS: 00	PLAN COMP:	VEST HRS: 0	
O.T.A.	47985	35917000		35269015				
C/P								
P/S								
C.S.V.								
SHARES	3662572			731722		2930950		
COST	183572399			80681254		122891145		
F.M.V.	178535983		26231105	35269015		115035863		
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
333-40-7256/03	BIRTH: 7/27/39	TERM: 7/27/74	VESTED: 4/30/85	FC: PX	V.YRS: 02	VEST 2	VEST HRS: 0	
CUTLER, JAMES R.	HIRE: 10/01/84	N.RET: 7/27/74	ENTRY: 4/30/85	SC: TN	P.YRS: 00	PLAN COMP:	VEST HRS: 0	

DATE - 2/26/88
PROC ID - PP4460
TIME - 11:33 AM
USER ID - MARY
WSTN ID - W4

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
ALLOCATION SUMMARY - 4/30/87

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CLIENT-ACC

	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
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BR001942

338-48-7256-000 BIRTH: 7/27/59 TERM: VESTED: 6/30/85 FC: PK V-YRS: 02 VEST 2 VEST HRS: C
 CUTLER, JAMES R. HIRES: 10/01/84 N-RET: 7/27/24 ENTRY: 6/30/85 SC: ATN P-YRS: 00 PLAN COMP: 2 5.00

DATE = 2/25/88
 PROG ID = PP-4460
 TIME = 11:33 AM
 USER ID = MARY
 WSTN ID = W4

ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTIONS	CONTRIBUTION RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.I.A.	8.33270		43269	791.52219	791.75294		.00193	8.06270
C/R								
P/S								
C.S.V.								
SHARES	29.42317			19.42370		3.01524		48.87512
COST	1294.34028			427.24579		127.01567		2048.66073
P.H.V.	1418.67900		410.41912	751.62227		118.50553		1918.58168

556-33-7502-00 BIRTH: 11/03/61 TERM: VESTED: 4/30/86 FC: CP V-YRS: 02 VEST 2 VEST HRS: 4
 ELIAS, ROBERT HIRES: 8/28/85 N-RET: 11/03/86 ENTRY: 4/01/86 SC: AC P-YRS: 01 PLAN COMP: 1 18.331.24

	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTIONS	CONTRIBUTION RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.I.A.	33.85216		17.18319	2160.69825	2154.01683		.00525	21.00278
C/R	.00003							.00003
P/S								
C.S.V.								
SHARES	649.88960			46.91075		8.41397		705.01433
COST	25214.42713			1719.20571		345.71350		27279.34734
P.H.V.	31924.67919		6218.46352	2166.69820		372.19816		27673.34427

389-38-9500-00 BIRTH: 3/01/52 TERM: VESTED: 4/30/77 FC: CP V-YRS: 11 VEST 8 100 VEST HRS: 4
 ESTES, BONNIE L. HIRES: 4/05/76 N-RET: 5/01/07 ENTRY: 4/30/79 SC: AC P-YRS: 00 PLAN COMP: 1 222.665.41

BR001943

DATE - 2/26/88
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
0-1-A.	24.37868		01319	24.14032				48.517
C/R	00000							00000
P/S								00000
C-S-V.								
SHARES	210.51780			450984				211.0186
COST	8784.40952			1912767				8783.53729
P-M-V.	10145.93229		1882.61694	24.14032				8282.48162
SHARES								
COST								
P-M-V.								
SHARES								
COST								
P-M-V.								
554-41-5595/00		BIRTH: 9/02/61 TERM: 1/23/87 VESTED: 4/30/82	FC: TL	V-YRS: 06	VEST \$ 100	VEST HRS: M		
FLORES, JOSE E.		HIRE: 6/22/81 N-RET: 9/02/26 ENTRY: 11/01/82	SC: TN	P-YRS: 01	PLAN COMP:			
0-1-A.	00000		00052	295046				00053
C/R								
P/S								
C-S-V.								
SHARES	44.08607			01972				44.08579
COST	1653.19328			75211				1653.24639
P-M-V.	2123.98473		394.36795	93048				1730.36726
SHARES								
COST								
P-M-V.								
SHARES								
COST								
P-M-V.								
554-41-5595/01		BIRTH: 9/02/61 TERM: 1/21/83 VESTED: 4/30/82	FC: TL	V-YRS: 09	VEST \$ 40	VEST HRS: L		
FLORES, JOSE E.		HIRE: 6/22/81 N-RET: 9/02/26 ENTRY: 11/01/82	SC: TN	P-YRS: 01	PLAN COMP:			

DATE - 2/26/88
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
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BR001944

554-41-5595/81	BIRTH: 9/02/61	TERM: 1/11/83	VESTED: 4/30/82	FC: 1	V.YRS: 03	VEST: 40	VEST HRS: C
FLORES, JOSE E	HIRE: 6/22/81	N.RET: 9/02/86	ENTRY: 11/01/82	SC: FN	P.YRS: 01	PLAN COMP:	5.00
<div> <div> DATE - 2/26/88 PROC ID - PP.4460 TIME - 11:33 AM USER ID - MARY WSTN ID - W6 </div> <div> ANGELES CHEMICAL COMPANY EMPLOYEE STOCK OWNERSHIP PLAN ALLOCATION SUMMARY - 4/30/87 </div> <div> PAGE- 9 CLIENT-ACC </div> </div>							
BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
D.T.A.		35695-	653.06211-	660.05240		.00161	2.63495
C/R							
P/S							
C.S.V.							
SHARES			13.54901			2.51699	16.06600
COST			317.45620			105.93851	423.39271
P.M.V.		121.26355-	653.06219			58.79202	630.59065
SHARES							
COST							
P.M.V.							
SHARES							
COST							
P.M.V.							
565-23-4026/00	BIRTH: 12/12/50	TERM: 12/12/85	VESTED: 4/30/87	FC: NP	V.YRS: 01	VEST: 5	VEST HRS: M
GIJON, GEORGINA C.	HIRE: 10/01/86	N.RET: 12/12/85	ENTRY: 9/01/86	SC: AC	P.YRS: 01	PLAN COMP:	16.54533
D.T.A.		45007-	823.42183-	832.23585		.00203	9.36575
C/R							
P/S							
C.S.V.							
SHARES			11.08344			3.17358	20.25702
COST			652.44135			133.57143	786.01278
P.M.V.		157.89690-	823.42192			124.56320	791.08422
SHARES							
COST							
P.M.V.							
SHARES							
COST							
P.M.V.							
571-57-2743/00	BIRTH: 2/12/66	TERM: 2/12/81	VESTED: 4/30/87	FC: NP	V.YRS: 01	VEST: 5	VEST HRS: M
GYERMAN, JANETTE	HIRE: 9/25/86	N.RET: 2/12/81	ENTRY: 5/01/86	SC: AC	P.YRS: 01	PLAN COMP:	19.757.11

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DATE - 2/26/88
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTIONS	CONTRIBUTION RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.I.A.	40.32787		2.11451	3868.75557	3869.03857		00743	10.3089
C/R								
P/S								
C.S.V.								
SHARES	147.88024		80.26465		14.75695			242.90184
COST	5491.45800		3085.42287		621.09794			10177.98881
F.M.V.	1127.802749		2041.89857		579.21030			953.19723
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
571-34-1371/00	BIRTH: 12/07/32 TERM:	VESTED: 4/30/86	FC: CP	V.YRS: 02	VEST % 20	VEST MRS: M		
HOWARD, FRED G.	HIRE: 4/19/79 N-RET: 12/01/97	ENTRY: 4/30/79	SC: AC	P.YRS: 01	PLAN COMP: 3597719.96			
O.I.A.	21.14069		290.43413	1892.02204	2170.53393		00529	19.22318
C/R	.00004							.00004
P/S								
C.S.V.	952.00000		274.92000					1226.92000
SHARES	6944.12122		39223359		8.27695			681.65176
COST	24691.62792		1499.15118		348.36445			26529.14355
F.M.V.	30564.64287		6026.70444		324.37031			26794.83160
SHARES								
COST								
F.M.V.								
572-74-9192/00	BIRTH: 9/01/48 TERM:	VESTED: 4/30/78	FC: CP	V.YRS: 10	VEST % 100	VEST MRS: M		
HUTTON, CANDI J.	HIRE: 9/12/77 N-RET: 9/01/13	ENTRY: 4/30/79	SC: AC	P.YRS: 06	PLAN COMP: 622,839.21			

DATE - 2/26/88
 PROG ID - PP.4460
 TIME - 11:33 AM
 USER ID - MARY
 WSTN ID - W4

ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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BEGINNING EXPENSES COMPANY CONTRIBUTIONS BALANCE

BR001946

SHAPES
 572-74-9192/00 BIRTH: 7/01/49 TERM: 4/30/78 PC: CP V-YRS: 10 VEST X 100 VEST HRS: M
 HUTTON, CANDI J. HIRE: 9/12/77 N-RET: 9/01/83 ENTRY: 4/30/78 SC: AC P-YRS: 06 PLAN COMP: \$22,839.21

DATE = 2/26/88 ANGELES CHEMICAL COMPANY PAGE= 11
 PROC ID = PP-4460 EMPLOYEE STOCK OWNERSHIP PLAN CLIENT-ACC
 TIME = 11:33 AM
 USER ID = MARY
 MSTN ID = WA
 ALLOCATION SUMMARY - 4/30/87

	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.T.A.	27.59778	84697.81000		64670.11222				
C/R		.00002						.00002
P/S								
C.S.V.								
SHARES	1341.70372			1341.70372				
COST	21122.67582			21122.67582				
P.N.V.	64670.11983			64670.11980				
SHARES								
COST								
P.N.V.								
SHARES								
COST								
P.N.V.								

582-46-7709/00 BIRTH: 9/05/39 TERM: 2/01/86 VESTED: 4/30/72 PC: PD V-YRS: 14 VEST X VEST HRS: C
 ISRAELI, STONE HIRE: 12/01/71 N-RET: 7/03/00 ENTRY: 4/30/79 SC: IN P-YRS: 05 PLAN COMP: 1.00

B.I.A.	57048	1043.72128	1056.85315	.00257	10.60396			
SHARES	2105997		4.02285		25.67562			
COST	826.99644		169.30731		996.30373			
P.N.V.	193.80308	1043.72140	157.86901		1007.80733			
SHARES								
COST								
P.N.V.								
SHARES								
COST								
P.N.V.								

583-83-9215/00 BIRTH: 3/17/51 TERM: 4/30/87 PC: KP V-YRS: 01 VEST X VEST HRS: M
 KILSHEIMER, THOMAS R. HIRE: 10/01/86 N-RET: 3/17/24 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$11,100.00

DATE - 2/26/88
 PROG ID - PP.4460
 TIME - 11:33 AM
 USER ID - MARY
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FEES/CHARGES	BALANCE
D.I.A.			83903-	1535.04601-	1551.47700		.00378	15.59574
C/A								
P/S								
C.S.V.								
SHARES			31.84743				5.91629	37.76372
COST			1218.29942				20749.00759	1465.30701
F.M.V.			255.03455-	1535.04618			232.21420	1482.22583
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
557-57-5743/00		BIRTH: 9/19/64 TERM:	VESTED: C/00/00	FC: AP	V.VRS: 01	VEST: 8	VEST HRS: 8	
LOCKEY JAMES W.		HIRE: 5/20/85 N.RET: 9/19/89	ENTRY:	SC: AC	P.VRS: 01	PLAN COMP:	5157329.25	
D.I.A.	142.15195		2991.53691-	13972.02765-	16923.42520		.00122	141.95979
C/R	.00002						.00001-	.00001
P/S								
C.S.V.	12291.35003		3155.72000					15447.07000
SHARES	54304.99839		289.87612				64.53431	5785.00896
COST	210939.02334		11070.78811				2716.16100	224725.97245
F.M.V.	251754.84086		51198.24717-	13972.02925			2532.97963	227061.60258
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
353-14-5341/00		BIRTH: 9/02/26 TERM:	VESTED: 4/30/72	FC: CP	V.VRS: 15	VEST: 100	VEST HRS: 8	
LOCKE JOHN G.		HIRE: 11/01/71 N.RET: 9/02/91	ENTRY: 4/30/79	SC: AC	P.VRS: 06	PLAN COMP:	5178,074.92	

DATE - 2/26/88
 PROG ID - PP.4460
 TIME - 11:33 AM
 USER ID - MARY
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FEES/CHARGES	BALANCE
								47307.33

BR001948

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DATE - 2/26/83
 PROG ID - PP-4460
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.I.A.			50193-	918.29229-	928.12165		.00228	9.32969
C/R								
P/S								
C-S-V-								
SHARES				19.05171			3.53923	22.59094
COST				747.81631			158.96085	896.77716
P.M.V.			176.91278-	919.29240			138.91474	885.59435
SHARES								
COST								
P.M.V.								
SHARES								
COST								
P.M.V.								

573-32-1711/00- BIRTH: 7/16/26 TERM: VESTED: 4/30/87 FC: NP V-YRS: 01 VEST 2 VEST HRS: M
 LOPEZ ARTHUR HIRE: 10/01/80 N-RET: 7/14/89 ENTRY: 3/01/86 SC: AC P-YRS: 01 PLAN COMPI: 89.768.06

O.I.A.	19.99926		.92343-	997.86395-	951.98748		.00232	9.72965
C/R								
P/S								
C-S-V-								
SHARES	58.37201			19.86859			3.63012	79.87072
COST	2478.99064			758.81019			152.78643	3390.58725
P.M.V.	2117.13090		632.35341-	937.56808			162.48232	3145.72587
SHARES								
COST								
P.M.V.								
SHARES								
COST								
P.M.V.								

949-SI-0875/00- BIRTH: 6/03/55 TERM: VESTED: 4/30/86 FC: LP V-YRS: 02 VEST 2 VEST HRS: M
 LOPEZ LOUIS J HIRE: 1/21/85 N-RET: 6/03/89 ENTRY: 3/01/85 SC: AC P-YRS: 01 PLAN COMPI: 510.016.87

DATE - 2/26/88
 PROG ID - PP-4450
 TIME - 11:33 AM
 USER ID - MARY
 WSTN ID - W4

ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O-T-A			25435	465.33111	470.33220		00115	4-12789
C/R								
P/S								
C-S-V								
SHARES			9.65459				1.70353	11-44812
COST			368.72289				15.48696	444.20984
P-N-V			82.40890	465.33116			70.39603	469.33869
SHARES								
COST								
P-N-V								
SHARES								
COST								
P-N-V								
561-13-6092/00	BIRTH: 7/16/63	TERM: 7/16/78	VESTED: 4/30/87	FC: AP	V-YRS: 01	VEST %	VEST HRS: M	
MARSH, JOHNNY	HIRE: 10/27/80	N-RET: 7/16/78	ENTRY: 5/01/86	SC: AC	P-YRS: 01	PLAN COMP:	347999.02	
O-T-A	75682		00041	74978			100763	
C/R								
P/S								
C-S-V								
SHARES	37.76909		01553				46.22463	11-55616
COST	2422.10198		59330				1938.15460	484.54058
P-N-V	2784.27136		917.13720	74978			1815.30263	453.57931
SHARES								
COST								
P-N-V								
SHARES								
COST								
P-N-V								
553-30-7444/00	BIRTH: 7/03/29	TERM: 10/11/85	VESTED: 4/30/85	FC: AK	V-YRS: 02	VEST % 100	VEST HRS: C	
MCLENDON, RAYMOND L.	HIRE: 8/06/84	N-RET: 7/03/94	ENTRY: 4/30/85	SC: TN	P-YRS: 00	PLAN COMP:	9.00	

DATE - 2/26/88
 PROG ID - PP-4450
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ANGELES CHEMICAL COMPANY
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BEGINNING BALANCE DISTRIBUTIONS EXPENSES EARNINGS INVESTMENTS COMPANY CONTRIBUTIONS RECEIVABLE FORFEITURES BALANCE 4/30/87

BR001950

347-30-7447/00 BIRTH: 1/03/29 TERM: 10/11/85 VESTED: 4/30/85 FC: XX V.YRS: 02 VEST % 100 VEST HRS: C
 MCCLENDON, RAYMOND L. HIRE: 8/06/84 N.RET: 7/03/94 ENTRY: 4/30/85 SC: TN P.YRS: 00 PLAN COM: 1.00

DATE - 2/26/88
 PROG ID - PP-4350
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ANGELES CHEMICAL COMPANY
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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTIONS	CONTRIBUTION RECEIVABLE	SCRETTURES	BALANCE
O-I-A	15.54916		.00841-	15.38347-			.15628-	
C/R	.00004-						.00004-	
P/S								
C.S.V.								
SHARES	139.13701			31016		83.07211-		31.38406
COST	2722.85011			15.18915		1636.25744-		2283.08103
P.H.V.	5898.20387		1239.19248-	15.38349		3220.18031-		2173.82436
SHARES								
COST								
P.H.V.								
SHARES								
COST								
P.H.V.								

547-39-6049/00 BIRTH: 5/03/61 TERM: 9/24/86 VESTED: 4/30/86 FC: XX V.YRS: 03 VEST % 100 VEST HRS: C
 PELENDZY, EVELYN V. HIRE: 9/19/83 N.RET: 5/03/86 ENTRY: 4/30/86 SC: TN P.YRS: 01 PLAN COM: 1.00

O-I-A	9.73792		.67423-	1233.56104-	1237.02783		.00301	12.93267
C/R								
P/S								
C.S.V.								
SHARES	34.33987			53.53457		4.11719		64.00644
COST	1512.61529			977.41113		198.53937		2688.57172
P.H.V.	1657.92215		536.90390-	1233.56178		185.14762		2339.72202
SHARES								
COST								
P.H.V.								
SHARES								
COST								
P.H.V.								

560-71-5771/00 BIRTH: 2/23/63 TERM: 2/23/88 VESTED: 4/30/86 FC: CP V.YRS: 02 VEST % 20 VEST HRS: V
 MOLINA, JR., DANIEL HIRE: 5/23/85 N.RET: 2/23/88 ENTRY: 5/01/85 SC: AC P.YRS: 01 PLAN COM: 313.016.49

DATE - 2/26/88
 PROG ID - PP-4460
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 WSTN ID - W4

ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE
O.I.A.	12.30346		.00665	12.17313				12.30346
C/R								
P/S								
C.S.V.								
SHARES	63.45888			24256				63.45888
COST	1911.12860			9.84344				1911.12860
F.M.V.	2094.71810		391.21723	12.17313				1115.67432
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
567-53-9597/00	BIRTH: 11/18/52	TERM: 12/05/86	VESTED: 4/30/86	FC: TI	V-YRS: 02	VEST: 20	VEST HRS: H	
NELSON, WARREN D.	HIRE: 3/20/81	N-RET: 11/18/21	ENTRY: 3/01/83	SC: IN	P-YRS: 00	PLAN COMP:		8.00
O.I.A.			430439	55638727	50233015			5955786
C/R								
P/S								
C.S.V.								
SHARES			1155372					1370005
COST			441.25328					531.58911
F.M.V.		103.40582	356.98933					537.72697
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
531-45-9711/00	BIRTH: 1/14/51	TERM: 1/14/26	VESTED: 4/30/87	FC: KP	V-YRS: 01	VEST: 20	VEST HRS: H	
PAEZ, RICARDO	HIRE: 10/01/86	N-RET: 1/14/26	ENTRY: 5/01/86	SC: AC	P-YRS: 01	PLAN COMP:		85,922.53

DATE - 2/26/88
 PROG ID - PP-4460
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
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BEGINNING BALANCE DISTRIBUTIONS EXPENSES EARNINGS INVESTMENTS COMPANY CONTRIBUTION CONTRIBUTIONS RECEIVABLE FORFEITURES BALANCE

BR001952

591-45-9771/00 BIRTH: 1/14/81 TERM: VESTED: 4/30/87 FC: KP V-YRS: 01 VEST 1 VEST HRST: M
 PAEZ, RICARDO HIRE: 10/01/86 N-RET: 1/14/25 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$5,922.53

DATE - 2/26/88
 PROG ID - PP-4400
 TIME - 11:33 AM
 USER ID - MARY
 WSTN ID - W4

ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENT'S CONTRIBUTION	COMPANY CONTRIBUTIONS RECEIVABLE	FEES/RETIRE	BALANCE 4/30/87
O.T.A.			32188-	589,98442-	595,18781	.00145	5,982.56
C/R							
P/S							
C.S.V.							
SHARES				12,21752		2,26966	14,43718
COST				466,80478		83,22397	550,02875
P.M.V.			109,34583-	588,89449		89,08354	568,62120
SHARES							
COST							
P.M.V.							
SHARES							
COST							
P.M.V.							
563-02-9454/00 BIRTH: 4/10/59 TERM: VESTED: 4/30/87 FC: AP V-YRS: 01 VEST 1 VEST HRST: M PEREIDA, RAYMONDO HIRE: 10/06/86 N-RET: 4/10/24 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$5,242.80							
O.T.A.			97207-	1178,43435-	1191,47095	.00438	18,06951
C/R							
P/S							
C.S.V.							
SHARES				36,89698		6,85434	43,75132
COST				1409,14908		288,48885	1697,63793
P.M.V.			330,22809-	1778,43435		269,03279	1717,23925
SHARES							
COST							
P.M.V.							
SHARES							
COST							
P.M.V.							
577-43-6145/00 BIRTH: 12/26/82 TERM: VESTED: 4/30/87 FC: AP V-YRS: 01 VEST 1 VEST HRST: M PETERS, CHRISTOPHER J HIRE: 1,6/02/86 N-RET: 12/26/27 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$18,913.67							

BR001953

DATE - 2/26/88
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.I.A.	8.97588		.65625	1200.64225	1204.51793		4.00293	12.19824
C/R								
P/S								
C+S.V.								
SHARES								
COST	1394.24480			24.90959			4.59322	61.20780
F.M.V.	1526.18070		306.10082	1200.64225			193.52188	2378.84482
SHARES								
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
373-37-9287/03								
PHILLIPS, JOANN		BIRTH: 2/25/59 TERM:	VESTED: 4/30/86	FC: CP	V.YRS: 02	VEST X 20	VEST HRS: M	
		HIRE: 7/29/85 N.RET: 2/25/86	ENTRY: 5/01/85	SC: AC	P.YRS: 01	PLAN COMP:		312,674.41
O.I.A.			.41270	755.05993	763.14205		.00186	7.67120
C/R								
P/S								
C+S.V.								
SHARES								
COST				15.65313			4.91011	19.57526
F.M.V.			140.20298	598.27454			122.46210	720.75664
SHARES				755.06002			114.22172	742.07859
COST								
F.M.V.								
SHARES								
COST								
F.M.V.								
365-74-7874/03								
PIERCE, ROBERT W.		BIRTH: 2/18/46 TERM:	VESTED: 4/30/87	FC: NP	V.YRS: 01	VEST X	VEST HRS: M	
		HIRE: 10/27/86 N.RET: 2/18/11	ENTRY: 5/01/86	SC: AC	P.YRS: 01	PLAN COMP:		58,030.08

DATE - 2/26/88
 PROG 10 - PP.4460
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 USER 10 - MARY
 WSTN 10 - M4

ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
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BEGINNING BALANCE DISTRIBUTIONS EXPENSES EARNINGS INVESTMENTS COMPANY CONTRIBUTION CONTRIBUTIONS RECEIVABLE FORFEITURES BALANCE

BR001954

COST
F.N.V.

503-74-7674/00 BIRTH: 2/18/46 TERM: VESTED: 4/30/87 PC: NP V-YRS: 01 VEST % VEST HRS: M
PIERCE, ROBERT W. HIRE: 10/27/86 N-RET: 2/18/11 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$8,030.00

DATE: 2/26/88
PROC ID: PP-4450
TIME: 11:33 AM
USER ID: MARY
WSTN ID: W4

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTIONS	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.I.A.	18.93182		1.03319	1890.26931	1891.57062		.00459	19.20453
C/R	.00005						.00002	.00007
P/S								
C.S.V.								
SHARES	72.16663			39.21718		7.21316		118.59699
COST	3162.21303			1497.76193		303.39187		4963.56723
F.N.V.	3478.43263		996.88681	1890.26931		263.11702		4854.93215
SHARES								
COST								
F.N.V.								
SHARES								
COST								
F.N.V.								
215-34-0440/00 BIRTH: 1/25/34 TERM: VESTED: 4/30/86 PC: CP V-YRS: 02 VEST % 20 VEST HRS: M PEARSON, EDWARD A. HIRE: 3/14/85 N-RET: 1/25/04 ENTRY: 4/30/85 SC: AC P-YRS: 01 PLAN COMP: \$19,903.85								
O.I.A.	.46172		.00025	.45681		.00466		
C/R								
P/S								
C.S.V.								
SHARES	32.25261			.00958		28.20170		7.0505
COST	1477.73185			1361.95		1182.47404		295.61976
F.N.V.	1698.69621		315.50613	.45681		1106.91658		276.73031
SHARES								
COST								
F.N.V.								
SHARES								
COST								
F.N.V.								
130-38-3435/00 BIRTH: 7/08/50 TERM: 11/08/85 VESTED: 4/30/85 PC: XX V-YRS: 02 VEST % 100 VEST HRS: C QUINN, PETER A. HIRE: 10/15/84 N-RET: 7/08/25 ENTRY: 4/30/85 SC: IN P-YRS: 00 PLAN COMP: \$1.00								

BR001955

SHARES
COST
P.M.V.

10-03-7092/00

SCHNITTKER, KATHRYN L.

BIRTH: 7/22/81

TERM: 5/01/87

VESTED: 7/07/00

PL: NP

V-YRS: 01

VEST: 1

VEST HRST: 0

PLAN COMP: 923.632.46

HIRE: 11/11/85

N-RET: 9/26/86

ENTRY: 1

SC: YN

P-YRS: 01

PLAN COMP: 923.632.46

DATE - 2/26/88
PROC ID - PP-4400
TIME - 11:33 AM
USER ID - MARY
WSTN ID - 44

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
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BEGINNING	DISTRIBUTIONS	EXPENSES	COMPANY	CONTRIBUTIONS	BALANCE
BALANCE		EARNINGS	CONTRIBUTION	RECEIVABLE	4/30/87
				FORFEITURES	

O.T.A.

37506-

686.19126-

693.57629

900169

5.97159

C/R

P/S

C.S.V.

SHARES

COST

P.M.V.

127.41537-

14.23633

636.19132

2.64469

16.38101

111.31056

655.01674

103.80364

662.57959

SHARES

COST

P.M.V.

SHARES

COST

P.M.V.

579-37-3667/00

SHAR, ALBERT LEE

BIRTH: 3/24/64

TERM: 4/06/87

VESTED: 4/30/87

PL: AP

V-YRS: 01

VEST: 2

VEST HRST: 0

PLAN COMP: 12.242.56

HIRE: 10/01/86

N-RET: 4/25/89

ENTRY: 1

SC: AP

P-YRS: 01

PLAN COMP: 12.242.56

O.T.A.

49462-

904.55848-

914.24079

900223

9.19012

C/R

P/S

C.S.V.

SHARES

COST

P.M.V.

18.76678

716.73078

167.96247-

3.48630

146.73301

863.46329

126.83715

873.43327

SHARES

COST

P.M.V.

SHARES

COST

P.M.V.

579-37-3667/00

SHAR, MARGARET E.

BIRTH: 6/08/36

TERM: 6/06/99

VESTED: 5/30/87

PL: NP

V-YRS: 01

VEST: 1

VEST HRST: 0

PLAN COMP: 19.620.00

HIRE: 10/01/86

N-RET: 6/06/99

ENTRY: 1

SC: AP

P-YRS: 01

PLAN COMP: 19.620.00

DATE - 2/26/88
PRDG ID - PP-4460
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WSTN ID - M4

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
ALLOCATION SUMMARY - 4/30/87

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CLIENT-ACC

BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
O.I.A.		39225	717,63450	725,31601		.00177	1,291,691
C/R							
P/S							
C.S.V.							
SHARES			14,88869		2,76587		17,65455
COST			588,62037		116,41113		705,03150
F.M.V.		133,25389	717,63438		108,58022		692,94091
SHARES							
COST							
F.M.V.							
SHARES							
COST							
F.M.V.							
548-23-3541/00	BIRTH: 9/07/43	TERM: 4/30/87	VESTED: 4/30/87	FC: AP	V-YRS: 01	VEST %	VEST HRS: M
SPENCE, ELDON A.	HIRE: 10/01/86	N-RET: 8/01/08	ENTRY: 3/01/86	SC: AC	P-YRS: 01	PLAN COMP:	87,882,06
O.I.A.	38,04468	1,82634	3431,13314	3430,02912		.00080	35,06272
C/R	.00008						.00008
P/S							
C.S.V.							
SHARES			71,50028		13,15608		84,65635
COST	10375,20159		2734,51819		353,71974		13663,43952
F.M.V.	11622,81725	2758,99803	3451,13354		316,37617		12791,32893
SHARES							
COST							
F.M.V.							
032-34-0182/00	BIRTH: 3/04/46	TERM: 4/30/93	VESTED: 4/30/93	FC: CP	V-YRS: 03	VEST % 40	VEST HRS: M
TRACY, JOHN J.	HIRE: 5/21/84	N-RET: 5/04/11	ENTRY: 4/30/93	SC: AC	P-YRS: 01	PLAN COMP:	939,302,36

DATE - 2/26/88
PRDG ID - PP-4460
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USER ID - MARY
WSTN ID - M4

ANGELES CHEMICAL COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN
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CLIENT-ACC

BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTIONS RECEIVABLE	FORFEITURES	BALANCE 4/30/87
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BR001958

32 832-34-0102/00 BIRTH: 9/04/56 TERM: VESTED: 4/30/85 FC: CP V-YRS: 03 VEST % 40 VEST HRS: M
 33 P.N.V. HIRE: 5/21/84 N-RET: 5/04/11 ENTRY: 5/30/85 SC: AC P-YRS: 01 PLAN COMP: \$36,302.56
 34 TRACY, JOHN J.
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DATE - 2/26/88
 PROG ID - PP-4460
 TIME - 11:33 AM
 USER ID - MARY
 WSTN ID - W4

ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	CONTRIBUTION RECEIVABLE	EXPENSES	BALANCE 4/30/87
O.T.A.			.45688	835.87501	846.92214		.00206	5.49231
C/R								
P/S								
C.S.V.								
SHARES				17.36181		3.72128		26.55339
COST				562.30888		15.56189		797.90226
P.H.V.			155.20907	335.87511		122.44705		807.11300
SHARES								
COST								
P.H.V.								
SHARES								
COST								
P.H.V.								

291-26-1907/00 BIRTH: 12/26/30 TERM: VESTED: 4/30/87 FC: NP V-YRS: 01 VEST % VEST HRS: M
 29 TURNER, JACQUELINE HIRE: 10/10/86 N-RET: 12/26/95 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$8,489.58
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321-43-7104/00 BIRTH: 12/10/33 TERM: VESTED: 4/30/87 FC: NP V-YRS: 01 VEST % VEST HRS: M
 33 MATSON, JOSEPH W HIRE: 10/01/86 N-RET: 1/10/23 ENTRY: 5/01/86 SC: AC P-YRS: 01 PLAN COMP: \$13,246.25
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DATE - 2/26/88
 PROG ID - PP-4460
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ANGELES CHEMICAL COMPANY
 EMPLOYEE STOCK OWNERSHIP PLAN
 ALLOCATION SUMMARY - 4/30/87

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	BEGINNING BALANCE	DISTRIBUTIONS	EXPENSES EARNINGS	INVESTMENTS	COMPANY CONTRIBUTION	RECEIVABLE	PERFEITURES	BALANCE 4/30/87
O.I.A.	64655	1182.88407	1105.54559			00291	1240178	
C/R								
P/S								
C.S.V.								
SHARES			24.54117					24.54117
COST			937.26259					937.26259
P.M.V.		219.04329	1182.88407					1401.92736
SHARES								
COST								
P.M.V.								
SHARES								
COST								
P.M.V.								
426-54-0362/00								
W0005, EARMON								
BIRTH: 8/30/35	TERM:		VESTED: 4/30/87	FC: NP	V.YRS: 01	VEST 2	VEST HRS: M	
HIRE: 10/01/84	N-RET: 8/30/00	ENTRY: 5/01/86	SL: AL	P-YRS: 01	PLAN LUMP:	312,580.00		

FINAL TOTALS				VESTED YEARS	154	PLAN COMP.	726,194.17
O.I.A.	705.78002	65979.89000	3259.44000		69203.2900		669,740.02
C/R							
P/S							

BR001960

51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100
101	102	103	104	105	106	107	108	109	110
111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130
131	132	133	134	135	136	137	138	139	140
141	142	143	144	145	146	147	148	149	150
151	152	153	154	155	156	157	158	159	160
161	162	163	164	165	166	167	168	169	170
171	172	173	174	175	176	177	178	179	180
181	182	183	184	185	186	187	188	189	190
191	192	193	194	195	196	197	198	199	200
201	202	203	204	205	206	207	208	209	210
211	212	213	214	215	216	217	218	219	220
221	222	223	224	225	226	227	228	229	230
231	232	233	234	235	236	237	238	239	240
241	242	243	244	245	246	247	248	249	250
251	252	253	254	255	256	257	258	259	260
261	262	263	264	265	266	267	268	269	270
271	272	273	274	275	276	277	278	279	280
281	282	283	284	285	286	287	288	289	290
291	292	293	294	295	296	297	298	299	300
301	302	303	304	305	306	307	308	309	310
311	312	313	314	315	316	317	318	319	320
321	322	323	324	325	326	327	328	329	330
331	332	333	334	335	336	337	338	339	340
341	342	343	344	345	346	347	348	349	350
351	352	353	354	355	356	357	358	359	360
361	362	363	364	365	366	367	368	369	370
371	372	373	374	375	376	377	378	379	380
381	382	383	384	385	386	387	388	389	390
391	392	393	394	395	396	397	398	399	400
401	402	403	404	405	406	407	408	409	410
411	412	413	414	415	416	417	418	419	420
421	422	423	424	425	426	427	428	429	430
431	432	433	434	435	436	437	438	439	440
441	442	443	444	445	446	447	448	449	450
451	452	453	454	455	456	457	458	459	460
461	462	463	464	465	466	467	468	469	470
471	472	473	474	475	476	477	478	479	480
481	482	483	484	485	486	487	488	489	490
491	492	493	494	495	496	497	498	499	500
501	502	503	504	505	506	507	508	509	510
511	512	513	514	515	516	517	518	519	520
521	522	523	524	525	526	527	528	529	530
531	532	533	534	535	536	537	538	539	540
541	542	543	544	545	546	547	548	549	550
551	552	553	554	555	556	557	558	559	560
561	562	563	564	565	566	567	568	569	570
571	572	573	574	575	576	577	578	579	580
581	582	583	584	585	586	587	588	589	590
591	592	593	594	595	596	597	598	599	600
601	602	603	604	605	606	607	608	609	610
611	612	613	614	615	616	617	618	619	620
621	622	623	624	625	626	627	628	629	630
631	632	633	634	635	636	637	638	639	640
641	642	643	644	645	646	647	648	649	650
651	652	653	654	655	656	657	658	659	660
661	662	663	664	665	666	667	668	669	670
671	672	673	674	675	676	677	678	679	680
681	682	683	684	685	686	687	688	689	690
691	692	693	694	695	696	697	698	699	700
701	702	703	704	705	706	707	708	709	710
711	712	713	714	715	716	717	718	719	720
721	722	723	724	725	726	727	728	729	730
731	732	733	734	735	736	737	738	739	740
741	742	743	744	745	746	747	748	749	750
751	752	753	754	755	756	757	758	759	760
761	762	763	764	765	766	767	768	769	770
771	772	773	774	775	776	777	778	779	780
781	782	783	784	785	786	787	788	789	790
791	792	793	794	795	796	797	798	799	800
801	802	803	804	805	806	807	808	809	810
811	812	813	814	815	816	817	818	819	820
821	822	823	824	825	826	827	828	829	830
831	832	833	834	835	836	837	838	839	840
841	842	843	844	845	846	847	848	849	850
851	852	853	854	855	856	857	858	859	860
861	862	863	864	865	866	867	868	869	870
871	872	873	874	875	876	877	878	879	880
881	882	883	884	885	886	887	888	889	890
891	892	893	894	895	896	897	898	899	900
901	902	903	904	905	906	907	908	909	910
911	912	913	914	915	916	917	918	919	920
921	922	923	924	925	926	927	928	929	930
931	932	933	934	935	936	937	938	939	940
941	942	943	944	945	946	947	948	949	950
951	952	953	954	955	956	957	958	959	960
961	962	963	964	965	966	967	968	969	970
971	972	973	974	975	976	977	978	979	980
981	982	983	984	985	986	987	988	989	990
991	992	993	994	995	996	997	998	999	1000

Field Trip Notes

Angeles Chemical Co.
Santa Fe Springs, CA
Friday, ~~July~~ 14, 1987
Aug.

Met with: John Locke, President
Ronald Bell, Industrial Plant Manager
James Froelick, Controller

The Company's ESOP was converted from a profit sharing plan in fiscal 1984. As of April 10, 1987 there were 27 participants.

The contributions have been as follows:

<u>FY</u>	<u>Contribution</u>
4/30/84	11,867 B shares <i>(purchased with PSP funds)</i>
4/30/85	877 B shares
4/30/86	1,321 B shares
4/30/87	\$65,000 cash

The previous valuations by Charles Stark for ESOP and other purposes are listed below:

	<u>Cost</u>	<u>P/S</u>	<u>Shs</u>
FY 86:	\$2,600,000	48.20	54,289
FY 85	2,500,000	48.20	51,867
1/31/84	2,250,000	3750	600
83	2,250,000	3750	600
82	Not Done		
81	" "		
80	1,600,000	3,667	600

Stock Ownership

As of April 30, 1987 there were 54,065 shares of Class A and B stock outstanding owned as follows:

<u>Name</u>	<u>No. of Shares</u>
Locke	20,000 A shares
Berg	20,000 A shares
ESOP	14,065 B shares
	<u>54,065 A&B shares</u>

There are 5,935 B shares in treasury. The principal difference between A and B shares is voting rights. *Unreasonable*

Employees

As of August 1987 there were 43 full time employees as follows:

<u>Department</u>	<u>No. of Employees</u>
Industrial, Chemical	8
Packaging	7 (<i>act. back</i>)
Decorating	5
Warehouse & Delivery	4
Supervisory	6
Sales	5 (<i>turn over</i>)
Administration	8

Company Officers

The Company officers as of August 1987 are:

<u>Officer</u>	<u>Title</u>	<u>Other Information</u>
John Locke	President	11/71, 61 years
Raymond Berg (<i>10%</i>)	Secretary/Treasurer	11/71,
Fred Howard	Sales Manager	4/85, 55 years?
John Tracy	Operation Manager	5/84, 42 years
Ronald Bell	Industrial Plant Manager	3/72, 40 years?
Candi Hutton	Administration Manager	9/77, 38 years?
James Froelick	Controller	2/87, 43 years

The Board of Directors consists of Messrs. Locke, Berg and Rosenthal.

Messrs. Berg, Tracy, Bell and Candi Hutton are described as back-ups.

Environmental Issues

The Company is subject to a wide variety of environmental regulatory agencies. These include South Coast Air Quality Management District, Environmental Protection Agency, the California Highway Patrol (hazardous material, permit inspections, etc.), and the Fire Department, City of Santa Fe Springs.

The Company has had no environmental or workplace violations, citations or suits. In fact, there is no litigation against the Company at all.

The Company has a good record with workmen's comp. It has a general liability insurance at \$1,000,000 per loss and accident.

General Business Description

Angeles Chemical is a resale/distributor of solids and chemicals used in the coating process. About 61% of sales come from industrial chemicals, 35% in packaging various solvents for

LRB partnership owns Real Estate

retailers and 4% in packaging paint thinners, etc. for Standard Brands Paint company (*higher margin*)

The Company's basic raw materials are forms of petroleum distillates purchased primarily from Shell, Chevron, Union Carbide, Exxon, Celanese and Vulkan Materials. The Company has on-site 32 underground storage tanks of 50⁰⁰ to 20,000 gallons capacity each and 9 above ground tanks (old railroad tank cars of 2,000 gallons capacity each). Angeles Chemical variously acts as an agent, distributor and manufacturer wherein it: orders from the supplier for direct customer shipment; stores for customers; packages; blends and packages; and acts as a terminal (unloading and distribution). Most of the Company's raw materials are shipped in from local sources by truck although they do get some large volume shipments from the southwest and other points by rail tank car. About 20% of the Company's sales are made directly to the customer from the refinery while the rest are made from the Santa Fe Springs terminal or a recently opened warehouse in Los Angeles. Angeles Chemical is designated as a distributor under a one-year supplier contract *with the refiners*.

Refiners prices have been flat to down for quite a while, but there have been price increases since June 1987 of about 4%. The biggest "move" has been in mineral spirits.

The Company's industrial business is not particularly seasonal, while its retail is somewhat seasonal, weighted towards the spring and summer period.

Customer Description

The Company has about 150 active industrial customers plus another 100 from which they get at least one order a year. There are 400-500 customers for the packaging division. An example of the major customers are:

W. F. Taylor (adhesive)	Ellis Paint Co. (varnish, paints)
Behr Process (woodstains, coatings)	Ferro Corp.
Mead Packaging (solvents)	Grow Corp. (packager)
Liberty Graphic Arts	Independent, Inc. (solvents, printer inks)
Sinclair Paints	Pacific Dispersors (color dispersions)
Western Specialty Coatings	Multi-Chemical Prods. (urethane deck coatings)
(industrial coatings)	Toyota Auto Body (auto prep)
	Standard Brands Paint (thinners, acetones)

Its biggest current customers are Ellis, Inc., which is owned by Raymond Berg and Standard Brands Paint. Boyle-Midway (Wizard charcoal lighter) was by far Angeles Chemical's biggest customer until it was lost in September 1986.

The Company believes it gets its business on service and price in that order. Over the longer term, business generators have been the general growth of the Southern California area with the resultant development of basic industry there and the expansion

The Company's product prices have been stable for some period of time, reaching "rock bottom" in the fall of 1986, but because of raw material hikes ~~(pikes)~~, Company product prices have been raised recently.

Bortz Oil Acquisition

Fiscal 1988 Forecast

In the seven month period October 1986 to April 1987, Bortz provided \$1.9 million of sales and is projected to account for \$3.2 million of sales in fiscal 1988.

Angeles has an on-line computer system which provides among other functions order entry, inventory, general ledger, sales and marketing reports, and batch mix blend sheets and related production costs.

The Company has had no specific buyout officers.

There is no key man insurance at the Company level. The ESOT owns a \$100,000 policy on Locke and a small policy on Hutton.

The other income in years 83, 84, 85 and possible 86 was from "terminalling" rail cars. The Company will register about \$50,000 in other income in fiscal 1988 on booking ~~drawn~~^{draw} deposits.

There were considerable one-time operating expenses (25 temps) to get Bortz on line.

The cost of goods sold is still running at 74% through July 1987.

Typical shipment is \$1,000

Industry Assoc.

Natl Assoc. of Chemical Distributors

1615 L St NW, Ste 925

Wash, DC

202-296-9200

Rosenthal Buy-Back

*On or about 4/30/84, Company bot 200 (20,000 shs)
at \$3,750/sh or \$750,000 cash plus contract
for \$28,750 semi-annually for 5 years (\$283,500)*

CPI Purchasing

617-964-3030

Chemical Week

609-786-0835

Angelen Chemical

Valuation Issues

4/30/87

1. Sales peaked at \$16.8 mil in F82 after growing every year since founding in 1972 (\$503,000 in sales). Five year growth rate 78-82 = 28%
2. Sales declined steadily from F82 to F87 on \$16.8 mil down 37% to \$10.5 mil or average decline of 7.5%. F87 sales between F79 (\$8.4) & F80 (\$12.0)
3. Gross profit peaked @ \$2.8 mil in F82, stabilized at around \$2.41 - \$2.2 mil thru F86 - or lower sales each year - and then jumped to \$2.7 mil in F87 best since F82 when sales were 38% higher (74% margin)
4. Operating expenses have risen in every year of company history to \$2.6 mil (25.1% of sales) from \$1.73 mil in 1982 (10.3%). Other expense up (consultant)
5. Result operating income at \$94,000 in F87 and \$83,000 in F86 lowest since 1973: \$76,000 on sales of \$1.6 mil. Best operating income \$563,000 (81); \$319,000 (82), and \$230,000 (84); \$39,000 (80)
6. Net income of \$79,000 (0.87%) lowest since 1973 - \$76,000. Best was \$586,000 (4.1%) in F81; Decline sharply since then.

Valuation Issues (Contd)

7) Minimal LTP - Overcapitalized

8) Big drop in cash for Bortz

9) Book Value \$2,122,104 or \$39.25/sh
FMV Tanks 250,000 new
" Plant Equip 50,000
Adj B.V. = \$2,422,104 \$44.79/sh

10) McKesson sells chemical distribution

11) Start-up expenses on Bortz (not quantified)

12) No discount for non-vote on "B" stock
Consistent with Stark

13) No marketability discount. Co contributed
\$65,000 cash in F87 to meet expected
redemptions (fun layoffs).

Chemical Ind Issues

1. Growth by type of chem - Ron Bell
2. Size and growth of distributors / mkt share 30% / 20%
3. Stab on rootings - Mature, cyclical
4. Price declines 82/yr. ?
5. Mergers & consolidation
Univac / McKesson 1000 independent
Tongst - West local reg.
O/I / Lil national

Issues

Safety

Environment

Insurance

Labeling

Cost of

Insurance

Compliance

Record Keeping

Import and

malware 7M-15M

Make start up
difficult

B/S
FY84 Value

Amchem

FY 87 Statement

P.M.R. Fund

Phase Two - Bond

Lines of Stock - description

Note payable - terms

Consultant Expenses

Acquisition Start-Up

" Big Increase Tanks & Plant Equip "

Explain treasury stock "transaction" FY85 when

More Income FY88-89

F87 COB Down

5 Yr. Trends

1. Sales to lowest level 5 yrs. down 50%
2. Gross profit up to best 5 years
3. Op. Expense up
4. Op. Income fluctuates, trend down
5. Other Income Down (Interest min)
6. Other Expense Up (Consultant)
7. P-T Income down
8. Net " down

Angeles Chemical
Valuation Conclusion
4/30/87

S+P 400 17.04 X '87 Est Earnings
DSI 15.6X " " "
Media General
Specialty Chem 18.4 X LTM
Moody's Chem-Misc 13.2X
(4/17/87)
Moody's Spec Chem 19.2X
(6/12/87)
Value Line Chem (Basic) 12.6X
(5/13/87)

Univac

Price 4/30/87: 17 3/4
LTM: \$ 0.11/sh C/P (NIH Corp.) \$1.03/sh.
F&B: 0.76
F&B E: 1.30? (4X 0.32 1st 1/4)
B.V./Sh: 9.80
Annual Sales: \$1.1 bil
C/Ratio: 1.36:1
LTD % of Cap: 5190
Net Margin: < 1.0%
Prof Sh: 8,679,000
Mkt Value: \$156 Mil

P/F&B E: 13.8X P/BV 1.8X P/Rev. 14/70

Conclusion: Book Value \$2,123,104 or \$39.25
9/11/87 to locked Frederick

Valuation Conclusion

3

Conclude at Adj B.V. if can be substantiated
of \$44.80/sh. Adjusted book cannot
be substantiated.

- Recognizes 5yr decline in sales;
drop in operating income, pretax & net income
- affect of stabilization in gross profit
dollars, better gross profit margins
- F88 replicates F87 per forecast.
- Company performance may be bottoming
out ?? In transition costs shown.
- B/S still strong but liquidity
has dropped. B/S can support B.V.
- Middle management could be stronger
- Inherent environmental problems

Adj B.V. of \$2.4 mil is:

1.14X B.V.

16.8X 3yr Ave N.I

14.8X 5yr Ave N.I

8.0X 87 Av. C.F.

5.5X 3yr Ave Av. C.F.

10.3X 3yr Ave PTE

9.1X 5yr Ave PTE

23% of Rev (Hi)

Valuation (Cont'd)
As of 4/30/87

1) Book Value: \$2,122,104 or \$39.25/sh Stated
~~\$2,422,104 or \$44.79/sh Adjusted~~

2) Earning Capacity:

Net Income - FY 87 - \$167,000 -
F85-87 Ave - \$144,000 OK
F83-87 Ave - \$164,000 (198,000)
(F82-86 Ave)

Pre-Tax FY 87 \$79,000
F85-87 Ave 236,000
F85-87 Ave 267,000 (329,000)
(F82-86 Ave)

3) Available Cash Flow FY 87 \$302,000
(PTE + Depn + PSP) F85-87 Ave 439,000 OK
F83-87 Ave 465,000

4) After Tax Cash Flow FY 87
F85-87 (F82-86)

5) FY 88 Forecast Boef Office Bonus, ESOP - \$360,000
Bonus Lischer Berg - 175,000
ESOP
PTE → \$65,000
125,000

Lochei Strategy - "Transition"

- Improve return on investment
- Find "base" of sales (may be near) and bring costs down to that level Cutting costs now
- Chemical companies under increasing environmental pressure
- Want to integrate vertically forward into higher margin consumer products (small range of present products) - Borty acquisition gets Co into small packaging (retail) business 4/0 year move.
- Get company plant into Amchem corp via property swap with LRB.
- Build up middle management
- Borty purchase for revenue?? in view of lost business.

Owners Compensation Adjustments

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
<u>Loche:</u>					
Sal.	\$80,000	\$80,000			
Bonus:	<u>94,999</u>	<u>?</u>			
Total	174,999	183,193	180,000	180,308	179,541

<u>Berg:</u>					
Sal.	24,000	24,400	24,400	24,092	24,000
Comm.	<u>75,182</u>	<u>?</u>	<u>76,000</u>	<u>?</u>	<u>?</u>
Total	99,182		100,400		

<u>Rosenthal:</u>					
Consulting	53,500	48,000 (R)	28,750	99,713*	98,941*

* Salary as V.P.

Total Comp
+ Consult. 3.22

Sales Drop Analysis

I
FY 1986 sales - \$12,129
FY 1987 sales - 10,521
 Δ Drop 1,608 or \$1,600

1) Add Boyle sales 10/86 - 4/87 (7 mos) - \$1,900

2) Subtract Boyle-Midway 10/86 - 4/87 (7 mos) - \$(1,100)

(Boyle contributed \$1.9 mil to sales
in FY86; \$800,000 5/86 to 9/86)

Net gain in FY87 \$800 in sales

Conclusion: sales in other lines down \$2.4M??

II Reconciliation of FY88 Estimate

FY88 Estimate \$10,600

FY87 Actual 10,521

Δ 0

1) Subtract Boyle-Midway 5/86 - 9/86

\$(800)

2) Add Boyle for full yr difference

\$3,200 v. \$1,900 (5/86-9/86)

1,300

3) Subtract SPB slow down 5/87 - 7/87

(300) (loss)

Net Gain

\$200

Conclusion: Continuing sales flat?

Rosenthal Sale

On 7/31/84 Arnold Rosenthal sold
200 (old) shares as follows:

To ESOP: 245,012.50 or 118.67 shs

To Company: 304,987.50 or 81.33 shs
* 750,000 200 shs.

@ * 3750/sh per share on 1/31/84

Terms: 5 month note @ 99%

Plus 5yr consulting contract

PROMISSORY NOTE

\$445,012.50

July 31, 1984

FOR VALUE RECEIVED, the trustees of the Angeles Chemical Company, Inc. Employee Stock Ownership Trust (the "Debtor") promise to pay to Arnold Rosenthal, or order, on January 2, 1985, the principal sum of four hundred forty-five thousand-twelve and 50/100's dollars (\$445,012.50), together with interest thereon equal to all income earned by Debtor on said principal but not to exceed a rate of 9% per annum, based on 155/365 of a year. The payments made by Debtor under this note shall not exceed the sum of all contributions, plus earnings thereon, made by Angeles Chemical Co., Inc., under its Employee Stock Ownership Plan to meet the Debtor's obligations under this note. If legal action be instituted on this note, the Debtor agrees to pay such sum as the court may fix as attorney's fees.

DEBTOR:

ANGELES CHEMICAL COMPANY, INC.

EMPLOYEE STOCK OWNERSHIP TRUST

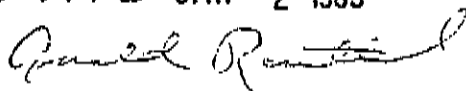
By


John G. Locke, Trustee

By


Robert O. Berg, Trustee

PAID JAN - 2 1985



BR001978

PROMISSORY NOTE

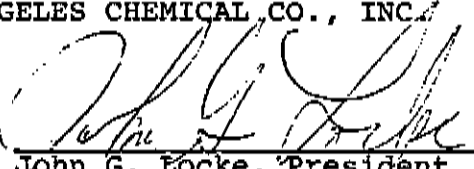
\$304,987.50

July 31, 1984

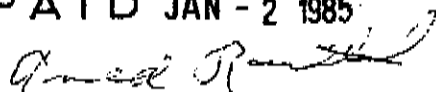
FOR VALUE RECEIVED, Angeles Chemical Co., Inc., a California Corporation, (the "Debtor") promises to pay to Arnold Rosenthal, or order, on January 2, 1985, the principal sum of Three hundred four thousand, nine hundred eighty-seven and 50/100's dollars (\$304,987.50), together with interest thereon at the rate of 9% per annum, based on 155/365 of a year. If legal action be instituted on this note, the Debtor agrees to pay such sum as the court may fix as attorney's fees.

DEBTOR:

ANGELES CHEMICAL CO., INC.

By 
John G. Locke, President

PAID JAN - 2 1985



BR001979

Incorporated under the Laws



of the State of California



ANGELES CHEMICAL CO., INC.

Authorized: 1,000,000 Shares

500,000 Class A Voting Common Shares
Par Value \$10.00

500,000 Class B Non-Voting Common Shares
Par Value \$10.00

THIS CERTIFIES THAT Arnold Rosenthal IS THE REGISTERED
HOLDER OF Twenty thousand***** Class B Non-Voting Common Shares of

ANGELES CHEMICAL CO., INC.

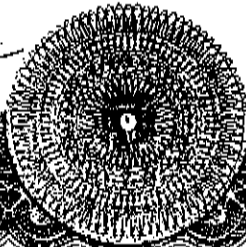
HEREINAFTER DESIGNATED "THE CORPORATION," TRANSFERABLE ON THE SHARE REGISTER OF THE CORPORATION UPON SURRENDER OF THIS CERTIFICATE PROPERLY ENDORSED OR ASSIGNED.

WITNESS, THE SEAL OF THE CORPORATION AND THE SIGNATURES OF ITS DULY AUTHORIZED OFFICERS.

DATED: July 30, 1984

Robert O. Berg
Robert O. Berg,

SECRETARY



John G. Locke
John G. Locke,

PRESIDENT

ANGELES CHEMICAL CO., INC.
VALUATION REPORT
600 Shares of Common Stock
(\$10 par value)
As of April 30, 1983

Angeles Chemical Co., Inc.
600 Shares of Common Stock
Fair Market Value as of April 30, 1983

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December 16, 1983

Mr. John G. Locke
President
Angeles Chemical Co., Inc.,
8915 Sorensen Avenue
Santa Fe Springs, California 90670

Re: Angeles Chemical Co.
600 Shares of Common Stock
Fair Market Value
as of April 30, 1983

Dear Mr. Locke:

Pursuant to your request of July 21, 1983, we have conducted a valuation study to determine the fair market value of the 600 shares of Common Stock of Angeles Chemical Co., Inc. ("Anchem" or the "Company") issued and outstanding as of April 30, 1983. The fair market value of the subject shares was as follows:

Number of Shares	Price per share	Market Value
600 Shares of Common Stock (\$10 par value) (the "Stock")	\$3,750	\$2,250,000

This Valuation Report sets forth and discusses the various factors which were researched, analyzed and considered in arriving at our opinion of the fair market value of the Stock as of April 30, 1983. Our verbal opinion was transmitted to you on October 5, 1983. This report represents the written confirmation.

Introduction and Background

The data upon which we have relied in forming our opinion regarding the fair market value of the Common Stock of Anchem is outlined in Exhibit A. The comparative financial statements which set forth the most recent five-year operating history (fiscal April 30, 1979-1983) of the Company are presented as follows:

Table I: Balance Sheet 4/30/83

Table II: Income Statement 1979-1983

Table III: Balance Sheet 1979-1983

Table IV: Changes in Financial Position 1979-1983

These tables have been analyzed to understand the reported results of the Company.

In our analysis of Anchem, we have also analyzed certain data from Foremost-McKesson, Inc. The Chemicals Group, including McKesson Chemicals, is the largest independent chemical distributor in the United States, distributing industrial chemicals to customers located throughout the continental United States.

Distributors such as McKesson Chemical sell about \$15 billion of chemicals a year. The Chemicals Group reported revenues of approximately \$603 million in fiscal 1983, or 4% of

industry sales. McKesson Chemical is a direct competitor of Anchem. Certain market ratios for Foremost-McKesson were used as supporting data in our valuation of Anchem.

The U.S. chemical industry, along with many other basic industries, was severely affected by the current economic recession. With activity in housing, autos, mining and the oil and gas industries severely depressed, chemical products dropped sharply in fiscal 1983.

The long-term outlook for the chemical wholesale market continues to be favorable. The distributors' share of the total U.S. chemical market grew at better than 15% per year during the 1976-1980 period. Chemical distributors have increased their share of the expanding U.S. chemical market to over 20% in 1983, and that share should continue to rise significantly, according to a recent independent study.

--Foremost--McKesson, Annual
Report, 1983

Book value of the Stock and Financial Condition of the Company

(a) Book Value of the Stock

As of April 30, 1983, Anchem had a book value of \$1,680,924 or approximately \$2,800 per share. Management has indicated that the value of the two principal fixed assets (1) tanks and plant equipment and (2) plant should be increased by \$250,000 and \$50,000 over cost, respectively, to reflect the fair market value of these assets. Therefore, the adjusted book value would be \$1,980,924, or approximately \$3,300 per share.

(b) Financial Condition of the Company

The company was in a strong financial condition as of

April 30, 1983. Anchem had current assets of \$2,796,715 and current liabilities of \$1,454,360, for a working capital of \$1,342,355 and a current ratio of 1.92 to 1.00. The Company had a cash position of \$852,212, of which \$800,000 was in a Certificate of Deposit. Anchem had no long term debt outstanding.

Table I sets forth the Company's balance sheet as of April 30, 1983.

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1983

ASSETS

CURRENT ASSETS	
PETTY CASH	\$ 200.00
CASH IN BANK	48,104.89
CASH IN MONEY MARKET	3,908.12
CERTIFICATE OF DEPOSIT	800,000.00
ACCOUNTS RECEIVABLE	\$ 1,397,667.45
ALLOW. FOR DOUBTFUL ACCTS.	(57,953.35)
NET RECEIVABLES	1,339,714.10
NOTES RECEIVABLE	8,000.00
ACCTS. REC. - STALLION	13,032.40
ACCTS. REC. - OTHER	.00
EMPLOYEE ADVANCES	15,915.59
INVENTORY - CHEMICALS	482,788.96
INVENTORY - DRUMS	14,118.75
INVENTORY - GASOLINE	5,308.58
UNPAID PROPERTY TAXES	938.29
PREPAID INSURANCE	34,685.36
TOTAL CURRENT ASSETS	\$ 2,796,715.03
FIXED ASSETS - AT COST	
OFFICE TRAILER	94,920.43
TRUCKS & AUTOS	160,264.58
TANKS & PLANT EQUIPMENT	200,608.78
FURNITURE & FIXTURES	36,336.95
PLANT	293,975.28
TOTAL FIXED ASSETS	786,106.02
LESS: ACCUMULATED DEPRECIATION	(457,979.17)
NET FIXED ASSETS	330,126.85
OTHER ASSETS	
DEPOSITS	4,139.00
DEPOSITS - DRUMS	2,304.00
TOTAL OTHER ASSETS	8,443.00
TOTAL ASSETS	\$ 3,135,284.88

SEE ACCOUNTANTS COMPILATION REPORT

ANGELES CHEMICAL CO., INC.
BALANCE SHEET
UNAUDITED
APRIL 30, 1983

LIABILITIES AND CAPITAL

CURRENT LIABILITIES	
ACCOUNTS PAYABLE	\$ 1,049,606.46
ACCRUED PAYROLL	113,487.43
ACCRUED COMMISSIONS	54,530.41
PAYROLL TAXES PAYABLE	(56.16)
SALES TAX PAYABLE	3,833.00
INCOME TAXES PAYABLE	(2,709.00)
DRUM DEPOSITS	135,409.40
CUSTOMER DEPOSITS	1,268.00
ACCRUED PROFIT SHARING	98,990.64
TOTAL CURRENT LIABILITIES	\$ 1,454,340.20
LONG TERM LIABILITIES	
CAPITAL	
CAPITAL STOCK - \$10 PAR VALUE, 2,500 SHS. AUTHORIZED, 400 SHS ISSUED & OUTSTANDING	6,000.00
RETAINED EARNINGS - BEGINNING	1,463,411.26
NET INCOME OR (LOSS)	211,513.42
RETAINED EARNINGS	1,674,924.68
TOTAL CAPITAL	1,680,924.68
TOTAL LIABILITIES & CAPITAL	\$ 3,135,284.88

SEE ACCOUNTANTS COMPILATION REPORT

BR001987

Income Statement

(a) Reported Results

A comparative presentation of the Company's income statement for fiscal years (April 30) 1979-1983 appears at Table II on page 8.

Sales have doubled from \$8,368,562 in 1979 to \$16,011,940 in 1982 with a 6.2% dip to \$15,023,595 in 1983. Gross margins have averaged 13.8%. Anchem is projecting sales and gross margins for fiscal 1984 to be "flat" or equal with 1983.

Income before taxes has fluctuated from \$127,809 in 1979 to \$586,383 in 1981 to \$359,243 in 1983 reflecting the cyclical nature of the business. Fiscal 1983 results included a recognition of \$158,361 for drum deposits which had been previously expensed. Net income after taxes for 1983 was \$211,511, which was virtually equal to the five-year average of \$211,577. The reported results for Anchem for 1979- 1983 follow the pattern of companies involved in the wholesale distribution of chemical products.

(b) Restated Results

In order to arrive at a more representative earnings/cash flow picture of the Company, we have restated the reported results to arrive at "Cash Flow Available Before Taxes." This calculation appears at the bottom of Table II.

We have arrived at these figures by adding back (1) provision for taxes to arrive at (2) net income before taxes to which we have added (3) profit sharing and (4) depreciation expenses.

The cash flow available to Anchem before taxes ranged from between \$229,760 in 1979 to \$714,846 in 1981. The 1983 figure of \$555,890 was very close to the \$553,471 recorded in 1980 and the \$553,960 achieved in 1982. The five year average was \$521,585.

TABLE II

INCOME STATEMENT	APRIL 30, 79	APRIL 30, 1980	APRIL 30, 81	APRIL 30, 82	APRIL 30, 83
SALES	8368563.00	12006810.00	14465041.00	16011948.00	15027595.00
<i>% increase</i>	17.4%	43.5%	20.5%	10.7%	(6.2)%
COST OF SALES	7129791.00	10294126.00	12426387.00	13975579.00	13844150.00
<i>% sales</i>	85.2%	85.7%	85.9%	87.3%	92.1%
GROSS MARGIN	1238771.00	1712684.00	2038734.00	2036361.00	1979445.00
<i>% sales</i>	14.8%	14.3%	14.1%	12.7%	13.2%
OPER. EXPENSE					
ADM. SALARIES	147517.00	178913.00	189531.00	238337.00	302483.00
PLANT WAGES	97149.00	124472.00	187632.00	122363.00	119314.00
SALES WAGES	72973.00	66947.00	84848.00	127861.00	146633.00
OFFICE WAGES	48869.00	67988.00	85162.00	95242.00	102943.00
PLANT EXPENSE	18588.00	19343.00	28981.00	12954.00	8858.00
TRUCK EXPENSE	31994.00	44214.00	43284.00	57173.00	34649.00
AUTO & TRAVEL	38821.00	38287.00	32614.00	38654.00	48875.00
SALES EXPENSE	1635.00	632.00	1341.00	2959.00	4676.00
FRT. OUT ANGELES	161214.00	202158.00	218157.00	211817.00	202647.00
FRT. OUT LAS				12866.00	45291.00
DRUM MAINTENANCE	86387.00	93182.00	67379.00	52278.00	46829.00
REPAIRS & MAINT.	13187.00	13734.00	18312.00	24555.00	17876.00
SUPPLIES	2519.00	6154.00	4644.00	7767.00	9680.00
OUTSIDE LABOR	1423.00	748.00	3582.00	1384.00	5970.00
EQUIPMENT RENTAL	321.00	7996.00	6357.00	548.00	
RENT	16848.00	15464.00	36888.00	66888.00	72888.00
OFFICE SUPPLIES	8688.00	13736.00	12537.00	16398.00	6634.00
GEN'L & ADM. EXP.				4375.00	5812.00
COMPUTER EXPENSE	5766.00	19388.00	26489.00	32129.00	37689.00
PROP. EXPENSE	3382.00	9821.00	21383.00	16684.00	14289.00
TAXES & LICENSES	15172.00	6368.00	18147.00	11782.00	18815.00
PAYROLL TAXES	22889.00	21138.00	38847.00	34338.00	36542.00
BUSINESS PROM.	13595.00	16552.00	35228.00	41777.00	43871.00
ADVERTISING	5255.00	8941.00	12138.00	12712.00	17398.00
COMMISSIONS	91261.00	86796.00	148997.00	138998.00	68576.00
COMMISSIONS LAS	0.00			35451.00	118878.00
DIRECTORS FEES	9888.00	9888.00	9888.00	9888.00	9888.00
DONATIONS	848.00	675.00	1211.00	1414.00	1788.00
INSURANCE	47938.00	58852.00	86385.00	56384.00	51982.00
STALLION INS. PD.				0.00	0.00
WORKERS COMP. INS.	6449.00	18583.00	13679.00	3796.00	3282.00
GROUP INSURANCE	8787.00	9137.00	7854.00	9913.00	15157.00
OFFICER LIFE INS.	844.00	844.00	843.00	844.00	
DUES & SUBSCRIPN.	1518.00	1738.00	5474.00	3892.00	2752.00
UTILITIES	2888.00	3174.00	4189.00	6446.00	5821.00
TELEPHONE	13985.00	12797.00	13258.00	17946.00	24578.00
(A) DEPRECIATION EXP.	51951.00	44234.00	45657.00	68487.00	96892.00
MISC. EXPENSES	354.00	739.00	25.00		
THRUPUT CHG. PD.	4375.00	1429.00	179.00	0.00	
EMPL. MED. BEN.	7382.00	1778.00	260.00	3806.00	5146.00
PENALTIES	1127.00		0.00	0.00	0.00
BAD DEBTS			12155.00	38876.00	6234.00
(B) PROFIT SHARING	50888.00	61986.00	81886.00	99451.00	99755.00
TOTAL OP. EXP.	1111515.00	1272258.00	1473677.00	1726582.00	1848232.00
OPERATING INCOME	127256.00	448434.00	565857.00	389859.00	131213.00
<i>% sales</i>	1.5%	3.7%	3.9%	1.9%	0.9%
OTHER INCOME					
PURCHASE DISCT.	283.00	11.00	87.00	336.00	99.00
DRUMS INCL/SLO.	1853.00				0.00
DEMORG. CHG. TO CUS.		2754.00	2884.00	3512.00	4399.00
DELIVERY FREIGHT					0.00
INTEREST INCOME		1175.00	19284.00	51748.00	65593.00
LEASING INCOME					0.00
LABOR REIMBURS.					0.00
MISC. INCOME	2748.00	8811.00	-487.00	25653.00	158361.00
OTHER INCOME					0.00
SALE OF ASSETS					42.00
TERMINALING CHG.					0.00
TOTAL	4884.00	11951.00	21768.00	81241.00	228494.00
OTHER EXPENSE					
INTEREST EXPENSE	4331.00	5134.00	442.00	5878.00	464.00
(C) NET INCOME BEFORE TAXES	127889.00	447251.00	586383.00	386822.00	359243.00
PROV. FOR TXS.	38782.00	225815.00	287264.00	158187.00	147732.00
NET INCOME	89107.00	222236.00	299119.00	235915.00	211511.00
CASH FLOW AVAILABLE					
Before Taxes	229,760	553,471	714,846	553,960	555,890
(A) + (B) + (C)					
% gross margin	18.5%	32.3%	35.0%	22.2%	28.0%

Balance Sheets

A comparative presentation of the Company's balance sheets for fiscal years (April 30) 1979-1983 appears at Table III on page 10.

Total assets have grown from \$1,750,583 in 1979 to \$3,135,286 in 1983. Stockholder's Equity (Capital Stock) has more than doubled from \$718,259 to \$1,680,924 in the same time frame for an average increase of 22.0% per year.

Working capital has increased from \$539,434 in 1979 to \$1,342,366 in 1983, while the current ratio has improved from 1.53 to 1.92. The cash position of the Company has increased significantly from \$51,055 in 1979 to \$852,213 in 1983. The Company had a Certificate of Deposit in the amount of \$800,000 in 1983.

The company had nominal long term debt of \$7,657 in 1979 and has had no long term debt in the last four years. Obviously, the balance sheet picture of Anchem has been strong in the past five years.

TABLE III

BALANCE SHEETS	APRIL 30, 1979	APRIL 30, 1980	APRIL 30, '81	APRIL 30, '82	APRIL 30, '83
ASSETS					
CURRENT ASSETS					
PETTY CASH	150.00	155.00	150.00	200.00	200.00
CASH IN BANK	45600.00	256120.00	401755.00	96.00	40105.00
CASH IN SAVINGS	5297.00	0.00	23.00		3900.00
CERT. OF DEPOSIT				200000.00	000000.00
ACCTS RECEIVABLE	1136563.00	1014135.00	1006460.00	1944420.00	1397667.00
LESS A/LM. FOR DOUBTFUL ACCT	22611.00	23789.00	36163.00	39409.00	27953.00
NET RECEIVABLE	1113954.00	1790346.00	1050297.00	1904931.00	1369714.00
NOTES RECEIVABLE				4460.00	0000.00
ACCTS. REC., OTHER					
STALLION TRAK	3000.00	13556.00	11617.00	11372.00	13032.00
ALL OTHER				37034.00	
EMPLOYEE ADVANCE	2138.00	3327.00	3924.00	2650.00	15916.00
INVENTORY-CHEM.	340441.00	420101.00	501274.00	459945.00	402789.00
INVENTORY-DRUMS	11257.00	6170.00	4372.00	12034.00	14119.00
INVENTORY-GAS	3472.00	2196.00	10351.00	0106.00	5309.00
PREPAID PROP. TAXS	1707.00	1960.00	1125.00	744.00	930.00
PREPAID INS.	36269.00	34010.00	31027.00	47065.00	34685.00
DEP. ON EQUIPT.				411.00	
TOT. CURR. ASSET	1564101.00	2527957.00	2015915.00	2690720.00	2796715.00
FIXED ASSETS (AT COST)					
OFFICE TRAILER	33904.00	33904.00	67349.00	94099.00	94920.00
TRUCKS AND AUTOS	19106.00	24206.00	43519.00	61901.00	162266.00
TANKS & PLNT EQ.	47283.00	47066.00	47066.00	174230.00	200609.00
FURN. & FIXTURES	5506.00	12452.00	17103.00	26034.00	36337.00
PLANT	279242.00	279242.00	293975.00	293975.00	293975.00
TOTAL FIXED ASST	385121.00	397750.00	469092.00	650319.00	700107.00
LESS:					
ACCUM. DEPR.	206236.00	250470.00	296127.00	364420.00	457979.00
NET FIXED ASSETS	178885.00	147280.00	172965.00	285899.00	330128.00
OTHER ASSETS					
DEPOSITS	6100.00	6105.00	6275.00	6139.00	6139.00
DEPOSITS - DRUMS	1417.00	1417.00	1725.00	1959.00	2304.00
TOTAL OTHER ASST	7597.00	7522.00	8000.00	8098.00	8443.00
TOTAL ASSETS	1750503.00	2602759.00	2997600.00	2904725.00	3135206.00
LIABILITIES					
CURRENT LIAB.					
ACCOUNTS PAYABLE	039590.00	1127065.00	1157607.00	1160617.00	1049606.00
ACCRUED PAYROLL		145910.00	219251.00	150320.00	113407.00
ACCRUED COMSN.				136.00	54530.00
SALES TX PAYABLE	3421.00	5650.00	0013.00	4245.00	2833.00
INCOME TX PAYABLE	-60413.00	106311.00	72672.00	-137161.00	-2709.00
PAYROLL TX PAYABLE	5563.00				-56.00
DRUM DEPOSITS	172534.00	205523.00	226002.00	239540.00	135409.00
CUSTOMER DEPOSIT	1220.00	1220.00	1390.00	1260.00	1260.00
LN. PAYBL. CROCKER	24192.00	10719.00			
ACCR. PRFT SHRD.	46350.00	60493.00	02117.00	99451.00	90991.00
TOT. CURR. LIABL.	1024667.00	1742091.00	1767152.00	1510624.00	1454359.00
LONG TERM LIABL.					
LN. PAYBL. CROCK.	7657.00	None	None	None	None
CAPITAL					
CAPITAL STOCK	0000.00	0000.00	0000.00	0000.00	0000.00
RET. EARNG. BEGIN.	023152.00	712259.00	925400.00	1224527.00	1463411.00
NET INCOME	09107.00	221609.00	299110.00	235914.00	211513.00
RET. EARNG. END	710259.00	939068.00	1230526.00	1466441.00	1680924.00
TOTAL CAPITAL	710259.00	939068.00	1230526.00	1466441.00	1680924.00
TOTAL LIABILITY & CAPITAL	1750503.00	2602759.00	2997600.00	2904725.00	3135206.00

Changes in Financial Position

A comparative presentation of the Company's Changes in Financial Position for fiscal years (April 30) 1979-1983 appears at Table IV on page 12.

The total source of funds available to Anchem after taxes has fluctuated from \$141,058 in 1979 to \$344,775 in 1981. The five year average has been \$273,742, while the representative figure has been \$320,578 for 1981 through 1983.

In our Income Statement/Restated Analysis which appears on page 6, we have presented what we believe is a more representative earnings/cash flow picture for the Company. Please refer to that analysis in conjunction with our presentation of "Changes in Financial Position" for Anchem from 1979 to 1983.

Certain financial ratios are set forth at the bottom of Table IV presenting both before and after tax figures and percentages.

TABLE IV

COMPARISON OF 1979, 80, 81, 82, 83 CHNG IN FIN POS.	YEAR ENDING APRIL 30, 79	YEAR ENDING APRIL 30, 1980	YEAR ENDING APRIL 30, 81	YEAR ENDING APRIL 30, 82	YEAR ENDING APRIL 30, 83
SOURCES OF FUNDS					
NET INCOME	89187.00	221689.00	299118.00	235914.00	211513.00
ITEMS NOT REQ. WORKING CAPTL.					
DEPRECIATION	51951.00	44234.00	45657.00	68487.00	96892.00
OTHER SOURCES					
DRUM DEPOSITS		75.00		136.00	55.00
TX RFND-PRIOR YR					2784.00
SALE OF ASSETS					1258.00
TOTAL SOURCE FND	141858.00	265918.00	344775.00	304537.00	312422.00
APPLICATION FUNDS					
LNQ. TRM DBT DECR	19861.00	7658.00			
PURCH. OF ASSETS	20462.00	12628.00	72142.00	188624.00	142374.00
INCREASE IN DEP.	658.00		478.00	234.00	480.00
TOT. APPLICATION OF FUNDS	40973.00	20286.00	72620.00	188858.00	142774.00
INCR. OR DECR. IN WORKING CAPTL.	180885.00	245632.00	272155.00	123679.00	169648.00
CHANGES IN WORK. CAPTL. INCR + DECREASE -					
CASH	95148.00	285229.00	145645.00	-201632.00	653577.00
ACCOUNTS REC'BL.	213557.00	686148.00	76897.00	91423.00	-572852.00
NOTES REC'BL.				4468.00	3548.00
EMPLOYEE ADVNCS.	-1712.00	1189.00	597.00	-1274.00	13266.00
INVENTORIES	676745.00	73297.00	87530.00	-35832.00	21252.00
PREPAID EXP.		-1998.00	-3827.00	16869.00	-13395.00
ACCOUNTS PAYABLE	5413.00	-287468.00	-30622.00	-2938.00	111811.00
ACCURED PAYROLL		-145910.00	-73341.00	68924.00	-17690.00
PAYROLL & SLS TX PAYABLE	1683.00	3336.00	-2382.00	3787.00	468.00
INCOME TX PAYBL.	92183.00	-254724.00	183214.00	209833.00	-134118.00
DRUM DEPOSITS	-41655.00	-32989.00	-20488.00	-13537.00	104138.00
CUSTOMER DEPOSIT	-785.00		-178.00	122.00	
LOAN PYBL. CROCKR		13473.00	18719.00		
ACCURED PROFIT SHARING	-46358.00	-12943.00	-21624.00	-17335.00	461.00
INCREASES OR DECR. IN WORKING CAPTL.	994827.00	245632.00	272156.00	123678.00	169649.00
Total Capital	718,259	939,868	1,230,526	1,466,441	1,680,924
Net income % Capital	12.4%	23.5%	24.3%	16.0%	12.6%
Cash flow AT % Capital	14,058	265,918	344,775	304,537	312,422
	19.6%	28.3%	28.0%	20.8%	18.6%
Cash flow BT % Capital	229,760	453,471	714,846	553,960	555,870
	31.9%	58.9%	58.0%	37.7%	33.0%

Alternative Valuation Approaches

In arriving at our valuation of \$3,750 per share, or \$2,250,000 for the 600 shares of Common Stock of Angeles Chemical Co., Inc. issued and outstanding as of April 30, 1983, we used several valuation approaches.

(1) Earning Capacity

For the fiscal year ended April 30, 1983, Anchem reported net income of \$211,511. For the fiscal years ended April 30, 1979 to April 30, 1983, Anchem reported average net income of \$211,577. Our valuation of \$2,250,000 results in a price/earnings ratio (capitalization rate) of 10.6 times earnings. This price/earnings ratio is in line with the public chemical (suppliers/distributors and/or specialty) companies which we analyzed for comparison. (See Exhibit A at pages 17 and 18.)

(2) Cash Flow Available

For the fiscal year ended April 30, 1983, Anchem had reported after tax cash flow of \$312,422. For the five-year period of 1979 to 1983, the average cash flow was \$273,742 and the representative figure was \$320,578. Our valuation of \$2,250,000 results in an after tax cash flow ratio of between 7.0 and 8.2 times.

For the fiscal year ended April 30, 1983, Anchem had

"adjusted" before tax cash flow of \$555,890. For the five-year period of 1979- 1983, this average cash flow was \$521,585, and the representative figure was \$554,400. Our valuation of \$2,250,000 results in a pre-tax cash flow ratio of 4.0 and 4.3 times.

(3) Market Price as a Percentage of Book Value

As of April 30, 1983, Anchem had a book value (Stockholders' Equity or Capital Stock) of \$1,680,924, or approximately \$2,800 per share. Since book value is only an accounting technique used to ascribe an historical value to a corporation, it may or may not bear any relationship to its market value. (See Table I.) Our valuation of \$2,250,000 results in a market to book value ratio of 134%. Again, this ratio is in line with market data for the public chemical companies which we analyzed.

(4) Market Price as a Percentage of Adjusted Book Value

As of April 30, 1983, Anchem had an adjusted book value of \$1,980,924, or approximately \$3,300 per share. (See discussion on page 3 for adjustments.) Our valuation of \$2,250,000 results in a market to adjusted book value ratio of 114%.

CONCLUSION

It is our opinion, formed after considering the data referred to in Exhibit A, and other relevant factors, that the fair market value of 600 shares of Common Stock of Angeles Chemical Co., Inc. as of April 30, 1983, was \$3,750 per share of Common Stock, or \$2,250,000 in the aggregate.

Very truly yours,

CHARLES B. STARK, JR.
A Professional Corporation

Char B. Stark Jr.

Charles B. Stark, Jr.
President

Exhibit A

Angeles Chemical Co., Inc.
Data Reviewed in Valuation
of Common Stock as of April 30, 1983

Angeles Chemical Co., Inc. Data:

Financial Statements (1979-1983) (Unaudited)
Prepared by Archer, Bulmahn & Co., CPA's (1975-1983)

Comparative Financial Statements (1979-1983) (Unaudited)
Income Statement
Balance Sheet
Changes in Financial Condition (Cash Flow)

Meeting on September 23, 1983 in Oakland with John G. Locke
and Robert Berg to discuss Company and assignment.

Telephone conversations with Locke

Inspection of Anchem facilities on July 15, 1980 (Polaroid
pictures) and meeting with shareholders Robert Berg,
John Locke and Robert Rosenthal

Financial Services and Industry Data

The following financial services, which include certain
suppliers, competition, and/or customers, were reviewed for the
purpose of selecting the appropriate market valuation re the
financial results of Anchem:

Moody's (Wholesale, Distributors and Jobbers) (1983)
Industrial
OTC Industrial

Standard and Poor's Corporation
Stock Guide as of 4/30/83
Stock Reports

Value Line

Chemical (Basic) Industry (5/27/83)

Chemical (Specialty) Industry

Walker's Manual of Western Corporations (Chemicals) (1983)

Foremost-McKesson, Inc.

(The Chemical Group--McKesson Chemical)

March 31, 1983, Annual Report and Form 10K

Various publications re the chemical/distribution industry and business outlooks for the economy (the effects of recession, inflation, high fuel prices, credit controls and other external factors)

Public Chemical (Suppliers, distributors and/or specialty)
Companies reviewed for market valuation data:

Suppliers- Chemical (Basic) Industry

Celanese Corp.

Diamond Shamrock

Union Carbide

Vulcan Materials

"Comparables"- Chemical (Distributors)

Foremost-McKesson

Univar Corp.

Customers- Chemical (Specialty) Industry

Economics Laboratory

Grow Group

Products Research and Chemical Corp.

Reichhold Chemicals

Sherwin-Williams

Witco Chemical